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HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—TWENTY SIXTH PARLIAMENT

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HOUSE OF COMMONS

Monday, September 30, 1963

The house met at 2.30 p.m.

HOUSE OF COMMONS

STATEMENT BY MR. SPEAKER RESPECTING SEATING ARRANGEMENTS

Mr. Speaker: May I take this first opportunity to welcome all hon. members back to the house to what I am sure will be a very energetic, strenuous and without doubt profitable session for the public of Canada.

[*Translation*]

It gives me pleasure to find us all together again, ready to get back to work.

I am quite convinced that the months to come will be of benefit to all our fellow-Canadians thanks to the knowledge and intelligence of all those around me, both on my right and on my left.

Now I have a statement to make, and I thought of expressing myself both in English and in French. On the other hand, it might be better if the French text were distributed immediately so that hon. members who wish to do so can refer to it while I read the English.

[*Text*]

Before calling the orders of the day I would crave the indulgence of hon. members in order to permit me to make a statement on a situation which has developed since the adjournment of the house on August 2. The problem with which the house is faced is a new one. May I be allowed to refer, in a chronological order, to certain correspondence by which I was apprised of the facts.

On September 9, 1963, the hon. member for Lapointe wrote me a letter to the effect that his party had chosen a new leader and claiming certain rights and privileges.

On September 13, 1963, the hon. member for Red Deer wrote me a letter to the effect "that the separation of Mr. Real Caouette and his followers from the party poses several problems".

On September 16 the hon. member for Villeneuve wrote me a letter reading in part as follows:

[*Translation*]

> Since September 1, our movement has become a national group under the name of Ralliement Creditistes.

[*Text*]

On September 18 the hon. member for Winnipeg North Centre wrote me a letter reading in part:

> In view of recent developments it seems quite clear that the New Democratic party, with its 17 members, is now the third largest group in the House of Commons.

Later on in the letter he adds:

> Since we are now the largest of the smaller parties we will expect to be seated immediately next to the official opposition.

The events which have taken place and the correspondence in relation thereto, which I am prepared to lay on the table if the house so desires, have given rise to a number of questions. Among them is first the recognition of a new party and of its leader; second, the seating arrangements in the chamber; then the question of the allowance to "the leader of a party that has a recognized membership of 12 or more persons in the House of Commons"; and following that the allocation of rooms, personnel, and other matters. I do not think it is necessary to deal with those problems at the moment; it is sufficient to mention them.

"Party" as defined by Burke in the classical passage on the subject, "Thoughts on the Causes of the Present Discontent" is a body of men united for promoting the national interest on some particular principle in which they are all agreed.

Have we a new party according to this definition and, if so, has this party been recognized by the house? To my mind this is a question for the house to decide.

The question of third parties in itself is not a new one. After the last election, apart from the Liberal and Conservative parties, as all hon. members know, there were recognized the Social Credit party and the New Democratic party.

Third parties have existed continually in the house practically since 1921. In 1921 there were 117 Liberals, 50 Conservatives, 66 Progressives and 2 other members, independent and labour. This third party situation has continued throughout the years, that is after the elections of 1925, 1926, 1930, 1935, 1940, 1945, 1949, 1953, 1957, 1958, 1962 and 1963.

If the house is used to third parties, that is to having a third and fourth party in the house, it will be admitted that it creates quite a new situation to have a third party divide

into two sections or blocks a few months after a general election and during an adjournment of the house.

I have already indicated some of the problems which are created by this unprecedented situation. There now remains to consider my position as Speaker of the house in connection with these recent events.

The legal rights and duties of the Speaker are to be found in the statutes of Canada, the standing orders of the house, in the constitutional and parliamentary authors and finally in the customs and precedents which have become constitutional conventions. According to Campion, the Speaker is the representative of the house itself, in its powers, proceedings and dignity, and the chief characteristics attaching to the office of Speaker of the House of Commons are authority and impartiality. Campion states also that it is the duty of the Speaker to see that the house is properly constituted before it proceeds to business.

It is in consequence among the duties of the Speaker to see that the standing orders of the house are followed in the course of its procedures and that the privileges of the house, once they have been defined and recognized, are protected. It is also the duty of the Speaker to be impartial and removed from politics, which has always been my aim since, hon. members, you did me the honour to elect me as your Speaker.

Sir Erskine May, sixteenth edition, page 42, has stated:

> that parliamentary privilege is the sum of peculiar rights enjoyed by each house collectively as a constituent part of the high court of parliament, and by members of each house individually, without which they could not discharge their functions, and which exceed those possessed by other bodies or individuals. Thus privilege, though part of the law of the land, is to a certain extent an exception from the ordinary law.

Dawson, in his book on "The Government of Canada", writes:

> The privileges, immunities and powers of the house of parliament of Canada are thus potentially those of the British House of Commons, although their primary basis is statutory and not established custom and inherent right.

In the Canadian house, questions of privilege take a wide range, but it may be stated in general terms that they refer to all matters affecting the rights and immunities of the house collectively, the rights of recognized parties, or to the position and conduct of members in their representative character. In this category may be placed questions affecting the recognition of a party, touching the seat or election of members, questions affecting the internal economy or proceedings of the house.

If the Speaker is to take any notice of these privileges and at the same time to exercise the high degree of independence and impartiality which is justly expected of him, it is well that those privileges be first defined and decided by the house itself. Anson, in "Law and Custom of the Constitution", at page 130, as quoted by Beauchesne, fourth edition, page 94, says:

> The house has always asserted the right to provide for the constitution of its own body, the right to regulate its own proceedings and the right to enforce its privileges.

Allow me to refer once more to the special traditions that surround the office of Speaker. While he is the servant of the house he is, at the same time, its spokesman and its symbol. His value to the house and its members continues effectively only when the house assists him in every way to maintain his dignity and his impartiality, and during my short term I have had the confidence of the house to the point where I know I can place myself and my problems in its hands.

It seems to me that having in mind the authorities from Sir Erskine May to Lord Campion, from Bourinot to Beauchesne and from Anson to McGregor Dawson and many others, a situation such as that now facing the house must be resolved by the house itself. It is not one where the Speaker ought by himself to take a position where any group of members might feel that their interests as a group or a party have been prejudiced. Nor should the Speaker be put in the position where he must decide, to the advantage or to the disadvantage of any group or party, matters affecting the character or existence of a party, for this surely would signify that the Speaker had taken what was almost a political decision, a decision where the question involves the rights and privileges of the house itself.

I cannot conclude this statement without some reference to the significance of these events for the future of the definition and status of parties in this house. It is not my place to evaluate the significance of these matters for the future of the ever changing structure and character of political parties; yet it is my duty, I believe, to bring to the attention of the house the novel character of the situation now before it, and more particularly the payment of allowances and the effect on the organization of parliament and parties and of the work of this house that naturally must be reflected by the emergence from time to time of new groups that invite the house to accord them the status of parties. Profound constitutional questions arise; for example, can a group of members which did not exist as a party at the time

of the election of a parliament be recognized as a party before it has submitted itself to the electorate?

Having indicated this new development to the house with its suggestive consequences, may I end my statement by relying upon the house to give me the necessary guidance required for the due administration of my duties in view of the issues presented to me by the letters from the hon. members concerned, and which have required me to make this statement today.

For these reasons I am of the opinion that the interests of the house, of members and of all parties will best be served if the questions raised by the hon. members for Lapointe, Red Deer, Villeneuve and Winnipeg North Centre in the various letters addressed to me were referred at this time to the proper committee for consideration and report so as to bring about a solution thereto.

As Speaker, I shall carry out the orders of the house and apply such interpretations to the rules of the house as the house itself may require of me.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, if I may I should like to rise on a question of privilege. My point of privilege relates to an aspect of the matter covered by the statement you have just made to the house. I think I should say at this time that I believe the house will agree with me that we are all indebted to you for the very helpful statement you have made with respect to the situation which now confronts us in this House of Commons. I may say also that at the conclusion of my remarks I should like to indicate my agreement with the suggestion you have made; in fact, as a matter of privilege I will suggest a motion along the very lines of your statement.

First of all may I indicate why in my view I feel, on behalf of this group, the New Democratic party, that there is a question of privilege to be raised at this time. Following the election of June 18, 1962, when the Social Credit party and the New Democratic party both came to this house with certain numbers of members, the question of our seating and our priority arose in discussions between representatives of these parties and the then Speaker, Mr. Michener, and the subsequent Speaker, the present hon. member for Edmonton West (Mr. Lambert). It was my contention that on the basis of the precedents of former years, notably 1935 and 1940, seniority and certain other considerations entitled us in the New Democratic party to be recognized as the third party in the house. May I make it clear that we in this party accepted the judgment that was given by Mr. Speaker Michener and by Mr. Speaker Lambert that other considerations had to be set aside in light of one overriding consideration, namely the number of members in each group. Therefore, because following the election of June 18, 1962, the Social Credit party had 30 members and we had only 19, the Social Credit party was recognized as third party in the house and we were given the position of fourth party in the house.

A few months later came the election of April 8, 1963. As a result of that election again the Social Credit party had more members than we had: they had 24 on the night of the election, which was reduced to 23 a little later. In any case our number, as hon. members know, was 17. The issue was raised again but there was no extended argument about it, because we were all agreed that the decision had been made the year before, namely that so far as the seating of, and other matters affecting, small parties were concerned the number of members was the key factor. The Social Credit party had more members than the New Democratic party had; therefore the Social Credit party was given third place.

Mr. Speaker, as you have indicated in your statement, I wrote you about this matter on behalf of this party on September 18, pointing out to you that reports in the press seemed to make it quite clear that we, with our 17 members, had become the third largest party in the house. In my letter, which I note you are prepared to table—I should be glad if all this correspondence were tabled—I did not happen to name the Social Credit party, but I referred to recent events and said that in the light of these events we were obviously the third party in size in this house, and I indicated that I expected that when the house met on September 30 we would be seated in third position next to the official opposition.

I might point out, Mr. Speaker, that on the two previous occasions to which I have referred—the occasions following the election of 1962 and following the election of 1963—the decision was made before the house met. When the house met we sat in the seats allotted to us. Therefore it was my view when I wrote my letter of September 18 that this decision should have been made before today, and that on coming into the house today we should have been placed in seats which would recognize our position as the third largest party in the house.

There is involved, so far as our position is concerned, not only the question of where we sit; because after all it is a privilege to sit anywhere in this house, whether in the front row or the back row, up at that end or down at this end; there is a question of the

order of speakers in debates, the question of the right to move amendments in certain cases, and so on. Therefore we feel it is a matter of concern not only to us but to all members of the house, a matter of concern to all who want the practices and privileges of the house to be respected, that our position, if we are the third party in size in the house, should be that of the third party as far as seating position and other matters are concerned.

As I say, it was my belief and contention that this decision should have been made before we took our places in the house today, and that we should have been given our seats next to the official opposition. However, I recognize readily that to have made such a move earlier than today would have involved other considerations. It would have involved the questions you have raised, Mr. Speaker, as to whether there has in fact been a division of the Social Credit party into two parties, whether they are two parts of the same party or two separate parties, and so on. From what we have read in the papers I find it strange they should be sitting together, cheek by jowl, without exchanging any blows; at least not yet.

Mr. Gregoire: No worse than sitting beside you.

Mr. Knowles: May I indulge in the use of at least one French word I know, and say "touché".

There is also the question of determining, if we are to be moved up, the order in which the other two parties are to sit. I realize it is unfair to ask you, Mr. Speaker, to make this decision in advance. I think the situation is sufficiently unusual that your suggestion is an appropriate one, namely that this is a matter which should be decided by the house. For these reasons we are prepared to possess our souls in patience for a few days so far as seating is concerned. We are prepared to see this matter referred to a special committee of the house so that the committee may consider it and bring back its findings at the earliest possible date. We do think that if it is established before that date—and one has to get the evidence in order to find out—that there are now three so-called smaller parties and that their numbers are 17, 13 and 11, there should be no question but that the party with 17 should be the third party in the house and sit next to the official opposition. We think that if the committee could ascertain the facts and make a decision quickly in this respect it should do so, and that the change should be made. If it takes longer to decide as between the other two, perhaps the committee would take somewhat longer to determine that particular issue.

[Mr. Knowles.]

I think the house is indebted to Your Honour for having taken the trouble to prepare the statement you have given us today. It is a statement that is likely to be referred to a number of times in the course of the progress of this parliament. One does not know what lies ahead in terms of our parliamentary arrangements. The people of Canada have the right to elect the governments and parties they wish to elect. Nevertheless, here in this house it is our responsibility to see that the arrangements we make with regard to the seating of parties, the priority of speakers, the moving of amendments and so on are made in accordance with the best practices of parliamentary democracy.

Therefore it gives me pleasure to move a motion along the lines suggested in the latter part of Your Honour's statement. I move, seconded by my hon. friend from Burnaby-Coquitlam:

That the matters raised and the statement made to the house this day by Mr. Speaker be referred to the committee on privileges and elections and that the said committee be instructed to report its findings thereon to the house with all convenient speed.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): First may I say that I think Your Honour has done the house a great deal of benefit by the research which has been shown in the production of this statement you have just made. I was particularly interested in the quotation you made from Burke, the title of his speech being "Thoughts on the Causes of the Present Discontent". It was very applicable and it was an example, once again, of history reliving itself, though in a manner not within the contemplation of Burke at the time he made the speech in question.

The responsibility which will rest on this committee will be a great one; to determine when is a party not a party; when does disagreement within a party cause such a cleavage as to proliferate the number of parties within a party.

An hon. Member: It might happen to you.

Mr. Diefenbaker: I might say also, to my friends on the left, the question might arise as to whether the New Democratic party is a separate party or whether it is just a section of the Liberal party ready to vote with the government on occasions or to abstain altogether. These are all questions which will, I am sure, be of tremendous interest as this committee carries out the responsibility which will belong to it should the house pass the motion before us.

However, I must say that all of this, all these events, underline and emphasize the danger I pointed out when I spoke in the

house last July on the measure which provided for the payment of $4,000 per year to leaders of parties other than the official opposition. If such a payment were not available I doubt very much whether there would have been the division which has taken place. I therefore express my wonder that he who has received credit for having been the inventor of this plan should now, like so many inventors in the past, decline to share in the profits from that invention.

I pointed out then that the recognition of parties other than the official opposition in the manner I have already indicated was contrary to the basic principle of British parliamentary government, the contemplation of which has always been two parties; a party which governs, and a party in the opposition composed of the largest group. Again I wonder whether the chickens have not come home to roost somewhat earlier than expected. I expressed the fear that this measure might lead to a multiplicity and proliferation of parties in the days ahead. Certainly whatever the cause, the result is as I had anticipated.

If the committee is set up this party will be represented thereon and will make such decisions as in the wisdom of its membership are in keeping with the responsibilities that will rest on the committee. Certainly this committee, with all the potential problems that will be before it, will require all of the wisdom of a Solomon to carry out all the facets of the undertaking that will be theirs.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we on this side are happy to support the motion which has been moved and which has been based on the suggestion you made to the house in such impressive terms. We are also grateful to you for the research you have done on this important subject. The Leader of the Opposition (Mr. Diefenbaker) was good enough to comment on that research in impartial and objective terms. He has reminded the house, in terms which were not too flattering to some of his fellow members and which I think are regrettable, that some chickens are coming home to roost.

He has also reminded us of his prescience and his wisdom in the debate last July on the legislation to which he referred. But I should like to recall the circumstances of that particular debate to the right hon. gentleman, and remind him that in respect of this particular provision and all other provisions in that legislation he managed to find only five of his own party to support him in the house, and those five did not include a single member of his front bench or of his former colleagues in his government. I also recall that although he had the opportunity he did not move a single amendment to any provision of that bill, including the provision to which he now takes such strong exception; and when I asked him during the debate if he intended to move that this legislation, to which he was then taking exception, be referred to a committee where it could be considered he disclaimed any such intention and did not take advantage of the suggestion I made. Therefore it is a little late for the right hon. gentleman to be so wise in respect of this particular measure.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, not only on behalf of the Social Credit party—

An hon. Member: Which one?

Mr. Thompson:—of Canada but also on behalf of myself I wish to thank you for the thoughtful statement you have just made to us. I think it outlines the situation very well, and I agree with your suggestion that it is logical that this situation should go before a committee. The problem is not an easy one for you to decide.

I recall well the discussions we had before the first session of the former parliament began regarding the party order within the house, and I concur in the statement of the hon. member for Winnipeg North Centre that it was agreed at that time that on the basis of numbers the Social Credit party should take second precedence among the opposition parties. I believe that the proposition he has presented in his motion, provided it is in order, is reasonable.

However, the problem we have before us now is not really just the consideration of who or what a party is. It comes down to the fact that there are a number of people who as far as we know—their views have been expressed only in the press—have decided to break from the party which it is my privilege and responsibility to lead, and that in no way alters the status of the national Social Credit party. On this basis, Mr. Speaker, unless you have some direct word from the members concerned, it would seem to me that you would have to take the action you have taken. The situation comes down to this, that a number of members of our party have chosen to separate themselves from us, and thus they stand before us officially as a group of independents.

It is not for me to define what a party is or what should constitute a party, but there has been considerable discussion in this regard on other occasions. It has been brought out on a number of occasions, particularly with regard to the allotting of time for political broadcasting on the C.B.C., and it has generally been agreed that a party must be

one that has contested an election and that has fielded candidates for at least half the number of seats in the nation and has been successful in winning some of those seats.

It is my opinion that you have recommended correctly, and we will concur in the motion that is before us so that this matter can go before a committee. You can be assured, Mr. Speaker, that we will give you our wholehearted support whatever the decision may be. In fairness to the hon. member for Winnipeg North Centre, who has been speaking on behalf of the New Democratic party, on the basis of discussions we have had in the past I likewise agree that his statement is correct and that the party having the largest number of seats, provided it is a party, should be placed in the order of its numerical strength. On this basis I agree with the action you have taken and will support the motion that has been placed before the house.

[*Translation*]

Some hon. Members: Where is your leader?

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, the hon. member for Villeneuve (Mr. Caouette) will return to Ottawa around five o'clock this afternoon.

I listened closely to the remarks made earlier on this motion by the leader of the official opposition (Mr. Diefenbaker), and I wondered whether he realized that what is happening today to the former Social Credit leader might also happen to him before long. It was rather shabby of him to mention that the leader of the government had rightly termed the matter of the $4,000 which could have affected the decision. I must point out to him that when that question was put to the house last July, the hon. member for Villeneuve voted against it on second reading, just as he did himself; which goes to prove that opposites attract one another.

The reference made concerning the hon. member for Villeneuve reminded me of the saying by Pascal to the effect that everything is evil to the evil-minded.

Mr. Speaker, we think it is our duty if possible to support the motion introduced by the hon. member for Winnipeg North Centre (Mr. Knowles), but there is one thing which I noticed in your memorandum, upon which I would like to draw your attention:

> Are we facing a new party and, if so, has it been officially recognized by the house? I think it is up to the house to decide that question.

As far as we are concerned, we believe that it is not up to a political or other party to decide whether a group of members who want to form a political party have the right to do so. That is a matter for the voters to decide, if they wish their elected members to form a political party.

The voters in our ridings have elected us under the Social Credit label and so we remained. That is a well-known and officially recognized fact. We are and remain in the Social Credit, that is seventeen members who have been elected under the label of the Social Credit rally. We are therefore a group recognized by the Canadian people, by the supporters of that political party. As the hon. member for Winnipeg North Centre said, the party which is the most numerous enjoys certain privileges in the house. Therefore, I think that the Social Credit, that is the Social Credit rally should be recognized as a third opposition party in the house. As the New Democratic party numbers 17 members, we do not claim to take their place. I only want to mention one thing, Mr. Speaker, in closing my remarks, that is there are, none the less, in this house, 24 members who believe in Social Credit, and they are more numerous than those who follow socialist principles.

I hope that when the committee on privileges and elections makes its recommendations and a decision is taken, there will not be so many changes in the house.

Mr. Speaker: The house has heard the motion. Does the house agree to pass the motion?

[*Text*]

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

Motion agreed to.

QUESTIONS

Mr. Pickersgill: Mr. Speaker, the following questions are to be answered today: 766, 833, 834, 863, 890, 922, 935, 947, 956, 965, 976, 977, 1024, 1028, 1035, 1046, 1049, 1083, 1084, 1085, 1087, 1095, 1102, 1104, 1105, 1118, 1121, 1122, 1123, 1130, 1135, 1139, 1140, 1142, 1143, 1144, 1146, 1147, 1148, 1152.

If starred questions 1036, 1044, 1067, may be made orders for returns, the returns can be tabled immediately.

If Your Honour would be good enough to call starred questions 705, 917, 962, 1057, 1058, 1081 and 1107, I would ask that the remaining questions stand.

Mr. Speaker: Does the house give consent to making these questions orders for returns?

Some hon. Members: Agreed.

Mr. Peters: I should like to raise a question of privilege in relation to question No. 1024 which is answered today. I raise this question because of the fact that during the recess I ascertained that this question should have been answered before we left. Certain information must have been available to certain

senior officials of one of the departments. There was a public tender called for one of these auxiliary airfields I mentioned, and it is my opinion that contempt was shown in not presenting this answer at that time in view of the fact a public tender had already been let while parliament was still in session. This information could have been made available.

Mr. Speaker: It is my duty to call the starred questions, unless there is a reply.

(Questions answered orally are indicated by an asterisk.)

*HIRING OF OUTSIDE CONTRACTORS FOR BUDGET PREPARATION

Question No. 705—**Mr. Fisher:**

Has the Minister of Finance or the privy council office any precedents, exact or analogous, to the hiring of outside contractors for help in preparing the budget and, if so, what are they in terms of persons, dates and minutes passed and orders issued?

Mr. Benson: Yes. Under authority of P.C. 10/7354 dated December 14, 1940, Walter Lockhart Gordon, C.A., Toronto, was appointed as special assistant to the deputy minister, Department of Finance, and was entitled to receive an allowance of $600 per month to cover living, travelling and other out of pocket expenses, and served in this capacity from December 9, 1940 to February 28, 1942.

Under authority of P.C. 4912 dated June 9, 1942, Professor Frank A. Knox, Kingston, Ontario, was appointed temporarily as assistant to the deputy minister of finance, to assist in the making of current estimates and forecasts of Canada's foreign exchange situation, and to be paid out of pocket living and travelling expenses.

Under authority of P.C. 33/11160 dated December 9, 1942, Professor V. W. Bladen, University of Toronto, Ontario, was appointed to assist the Department of Finance, on a part time basis, in making investigations and reports in regard to certain tax problems, and was paid an allowance of $20 per day for the time spent on this work, together with actual out of pocket expenses, effective November 25, 1942.

Under P.C. 29/262 dated January 23, 1948, authority was granted to pay the Bank of Nova Scotia out of pocket costs incurred as a result of making available to the Department of Finance for the periods from November 13 to 21 and from November 27 to December 19, 1947, the services of J. Douglas Gibson for work on measures made necessary by the foreign exchange situation at that time.

DISCUSSIONS BETWEEN U.S. AND CANADA

Question No. 766—**Mr. Howard:**

Are any matters currently under discussion or negotiation with the government of the United States of America or any agency or branch thereof, regarding the interest of both the U.S. and Canada or of interest only to Canada, and, if so, what specifically are these matters?

Mr. Martin (Essex East): Discussions and negotiations on matters of common interest are being carried on continuously between the government of Canada and the government of the United States. It would be contrary to the public interest and to generally accepted practice to describe them while they are in progress or to specify all the subjects being discussed or negotiated. Both governments are, of course, conscious of the necessity for keeping the public well informed, and wherever discussions have matured to the point where a public announcement can be made this is done and, in particular, the house is appropriately informed.

PROTESTS AGAINST SALES TAX ON BUILDING MATERIALS

Question No. 833—**Mr. Nesbitt:**

How many letters or telegrams have been received by the Minister of Finance in criticism of the imposition of the 11 per cent sales tax on (a) building materials (b) production machinery?

Answer: (a) 371 (b) 61; 54 communications were received mentioning both building materials and production machinery.

BUDGET ASSISTANCE BY OUTSIDE CONSULTANTS

Question No. 834—**Mr. Gundlock:**

1. In what particular taxation field or fields were each of the following persons regarded as possessing special knowledge or experience (a) Mr. D. C. H. Stanley (b) Mr. M. P. O'Connell (c) Mr. G. R. Conway and (d) Mr. R. J. Anderson?
2. On what portions of the budget were each of the said persons specifically consulted or did they give advice on to the government or minister?

Answer: 1. (a) Mr. D. C. H. Stanley has had many years of experience in the investment business and because of this experience he has been engaged by the royal commission on banking and finance to make a study for the commission.

(b) Dr. M. P. O'Connell is a former professor at the University of Toronto, has had several years of experience in the bond business, and is a specialist in the field of municipal finance.

(c) Mr. G. R. Conway is a chartered accountant who had been engaged in research on taxation at Harvard University. He has recently joined the staff of the royal commission on taxation.

(d) Mr. R. J. Anderson is a chartered accountant.

Questions

2. Messrs. Stanley, O'Connell and Conway assisted the Minister of Finance in regard to various aspects of the budget speech and resolutions, as did officers of the Department of Finance, but no record was kept of the particular aspects on which individuals were consulted or gave advice.

C.B.C.—PROGRAM EXPENDITURES AND UNION AGREEMENTS

Question No. 863—**Mr. Orlikow:**

1. For the years 1958, 1960, and 1962, how much money did the C.B.C. spend for dramatic and variety programs (a) purchased from the U.S.A. (b) purchased from Great Britain and (c) produced in Canada?

2. Is the C.B.C. negotiating an agreement with (a) association of radio and television employees of Canada (b) national association of broadcast engineers and technicians, and (c) "fédération des auteurs et des artistes du Canada"?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows:

1. The information requested is not readily available under the program coding used by all radio and television stations according to B.B.G. regulations. To provide explicit replies to the three parts of this question would require a large expenditure of man hours by the corporation, in isolating and collating the information. Generally speaking, it is estimated that of the corporation's annual total expenditures for fees to musicians, dramatic and other performers, writers, payments for copyrights, performing rights, etc., less than 10 per cent is paid to non-resident individuals and organizations.

2. Yes, these proceedings will continue with the assistance of a conciliation officer appointed by the Minister of Labour. (b) Yes, these proceedings will continue before a conciliation board on October 22 and 23 next. (c) Negotiations have been completed with a two year agreement effective July 1, 1963.

HYDROFOIL VESSEL RESEARCH

Question No. 890—**Mr. MacEwan:**

1. How long has research on hydrofoil vessels been carried out by the government?

2. What is the total cost to date of research on hydrofoil vessels including naval research costs?

Mr. Pickersgill: 1. Since 1943.

2. $2,745,702.

[*Translation*]

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

Question No. 917—**Mr. Côté (Chicoutimi):**

1. Are the words "Air Canada", as well as the words "Trans-Canada Air Lines", used at any time in T.C.A. offices or establishments in Ottawa, Chicoutimi or elsewhere?

2. Has T.C.A. ever used both phrases in their advertisement, notices, etc., and if so, when, and where was such practice followed?

[Mr. Gundlock.]

3. Has the company made a study to ascertain whether the use of the words "Air Canada" would assist control officers in the identification and direction of company aircraft in order to promote the safety and welfare of passengers on the air line?

4. Has an estimate been made of the expense which would be involved in the adding of the words "Air Canada" on each side of the fuselage of T.C.A. aircraft and, if so, what is the amount of such estimate?

Mr. Cantin: 1. Yes. Both names appear on some company signs, advertising material, etc.

2. Yes. The company has used both names in business when it was appropriate and practical.

3. The company has given that matter much thought.

4. No estimate has been made because it is impossible for reasons of security and control to use both names at the same time on the fuselage.

R.C.A.F. NON-PUBLIC MESSES

Question No. 922—**Mr. Enns:**

Has the R.C.A.F. regulations concerning non-public messes and, if so (a) who authorizes insurance on non-public messes at R.C.A.F. stations across Canada (b) what percentage and amount of such insurance was placed with Mr. N. D. McRae's agency at Montreal; and, of this amount, how much was recommended by R.C.A.F. station commanders (c) what insurance company does Mr. McRae represent as agent (d) what are the general terms of the coverage offered (e) what is the current rate of insurance and (f) do local insurance agents in communities adjacent to R.C.A.F. stations have an opportunity to tender on the specified insurance coverage?

Answer: (a) Yes, section 39 of the National Defence Act provides that all the non-public property of a unit shall vest in the commanding officer who shall administer such property in accordance with orders issued by the chief of the air staff, and Queen's regulations and orders stipulate that the commanding officer must obtain insurance on non-public funds and property and he alone is responsible for procurement.

(b) 88½; the R.C.A.F. station commander is responsible for selecting the insurance agency in every case.

(c) McRae and Company, 214 St. James street west, Montreal. Policies are underwritten by Lloyds of London, Canada Security Assurance Company and Norwich Fire Insurance Society.

(d) The general terms of the coverage are as follows:

Property and Merchandise

Covers: All risks of physical loss or damage from any external cause. While within any building on station premises or elsewhere, and during transportation. Including buildings and/or improvements and renovations to public buildings. Including property and/or merchandise for which M & I may be responsible, e.g. articles accepted in a check-room

when a tag or check is issued. Including loss or damage to vehicles resulting from the operation of station auto clubs.

Co-insurance Requirement: 90 per cent insurance to total values at risk on station.

Dishonesty: (Merchandise, Money or Securities).

Covers: Blanket Fidelity Bond: All employees, service or civilian covered. No requirement to advise of changes in personnel.

Applicable to each employee identified. Applicable to loss when employee cannot be identified. Applicable to position of mess and institute accountant officer.

Money and Securities: Dishonesty, disappearance or destruction caused by persons, known or unknown.

While on station premises. While away from station premises, during transportation, or elsewhere. Exclusions: Loss from any bank safety deposit box. Forgery of the cheques for deposit.

Legal Liability

Covers: Employers Liability: (Civilians paid directly by non-public funds). Legal liability for bodily injuries or death. Includes Voluntary Benefits: Lost time wages and hospital and medical expenses.

(e) Insurance rates are based on the degree of risk involved. Because of factors such as unit location, number of personnel, scope of non-public operations, type of buildings and seasonal fluctuations in the size of inventories at some units, the rates in effect at any unit normally apply to that unit only.

(f) Commanding officers are expected to obtain the insurance coverage at the lowest price available. The business is not normally awarded on the basis of tender call but the insurance programs of any agent will be considered on a competitive basis. McRae and Company have tailored insurance programs to meet the needs of these stations and have been able to offer favourable rates.

RADIO AND TELEVISION—HOURS OF BROADCASTING AND EXPENDITURES

Question No. 935—**Mr. Prittie:**

1. How many hours of television programs for the national network originated in Toronto, Montreal (English only), Vancouver, Winnipeg, and Halifax during the years 1960, 1961, and 1962?

2. How many hours of television programs originated in each of the same centres for use in the region in which the centre is located?

3. What were the capital expenditures for television broadcasting facilities in the abovementioned centres during 1960, 1961 and 1962?

4. What were the capital expenditures for radio broadcasting facilities in the abovementioned centres during 1960, 1961, and 1962?

5. What capital expenditures are planned for television and radio broadcasting facilities in each of the above-mentioned centres for 1963 and 1964?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows:

Questions

1.

	Network		
	1960/61	1961/62	1962/63
Toronto	1,293	1,252	1,239
Montreal (Eng. only)	158	195	222
Vancouver	94	126	120
Winnipeg	139	169	122
Halifax	97	110	122

2.

	Local/Regional		
	1960/61	1961/62	1962/63
Toronto	397	514	500
Montreal (Eng. only)	377	500	550
Vancouver	664	637	582
Winnipeg	514	575	646
Halifax	594	773	820

3. Television

	1960/61	1961/62	1962/63
	$	$	$
Halifax	1,980,753	59,286	186,497
Montreal	1,135,422	768,310	329,036
Toronto	1,093,853	1,012,261	1,014,189
Winnipeg	492,838	81,615	299,550
Vancouver	293,141	160,779	144,152

4. Radio

	1960/61	1961/62	1962/63
	$	$	$
Halifax	26,409	38,292	246,413
Montreal	58,660	45,076	181,939
Toronto	94,861	142,750	102,050
Winnipeg	25,124	1,173	59,122
Vancouver	24,388	20,757	61,338

5. It would not be proper for the corporation to disclose its estimates for capital expenditures prior to these estimates being considered by parliament.

R.C.A.F. STATION, SUMMERSIDE, P.E.I.—LEASE OF PROPERTY FOR SERVICE STATION

Question No. 947—**Mr. MacLean (Queens):**

1. Has land been leased on Department of National Defence property R.C.A.F. station, Summerside, to an oil company for a service station and, if so, what is the name of the company?

2. What is the annual rental or lease fee?

3. What service, if any, is the R.C.A.F. required to provide by way of fire protection, snow removal, or any other benefits?

4. Has the company the right to provide gasoline and oils to any but service personnel?

5. Is the service station required to pay local taxes?

6. Is it a general practice to have civilian service stations located at military bases in Canada?

Answer: 1. No land has been leased to any oil company, however, pursuant to an agreement between Canadian Petrofina Limited and the commanding officer of the R.C.A.F. station, in his capacity of administrator of non-public funds, Canadian Petrofina Limited

is building on station lands allocated by the commanding officer, a service station which, upon completion, will be owned and operated by the commanding officer in his aforementioned capacity.

2. No charge is made to the commanding officer for land.

3. The following services are provided by the R.C.A.F. station facilities:

(a) Heat: $1.50 per M lbs. of steam which shall be metered by use of steam flow or condensate return meter. Should natural gas be the source of heat, this rate may be altered at the discretion of air force headquarters;

(b) Power: To be metered and charged at cost plus 10 per cent;

(c) Water: To be metered and charged at cost plus 10 per cent;

(d) Sewer: Recover an amount equal to 75 per cent of the water bill;

(e) Garbage removal: Flat rate of $5 per month;

(f) Snow removal: No fixed charge has been computed as costs vary from season to season. A charge will be levied on the basis of cost plus 10 per cent.

4. The company is not concerned with the direct operation of the retail outlet. The commanding officer, as the service station operator, may sell only to service personnel, members of their households and civilian employees of the Department of National Defence.

5. The commanding officer is responsible for all rates, taxes, assessments and license fees which may be legally levied or assessed on the installations or improvements to the land or any business carried out thereon.

6. It is not the general practice to have civilian service stations located on military bases, however, in locations not adequately serviced by existing gasoline outlets, various self-help projects similar to the Summerside arrangement are permitted.

RAILWAY TRACKS, CAMP BORDEN, ONT.

Question No. 956—**Mr. Madill:**

1. How many miles of government owned (Department of National Defence) railway tracks are there at Camp Borden?
2. How many men are employed in the maintenance of these tracks?
3. What is the annual labour cost of the maintenance of these tracks?
4. Is it proposed to change the system of maintaining these tracks and, if so, how many employees will be displaced?
5. Will such employees be offered alternative employment of equal rates of pay and, if not, at what rates of pay will these men be offered employment?
6. If a new system of maintenance is contemplated, what is the estimated additional cost or saving of such a system?

[Mr. MacLean (Queens).]

Answer: 1. Five and one half miles.

2. Four.

3. $14,240.16.

4. Yes, four.

5. The track foreman whose present wage scale is $1.90 per hour, will be offered employment as a trades helper at $1.48 per hour. The three trackmen, whose present wage scale is $1.48 per hour, will be offered employment at $1.43 per hour.

6. A maintenance contract is estimated to save $3,049.16 annually.

*WORLD FAIR—TOTAL FEDERAL CONTRIBUTION

Question No. 962—**Mr. Fisher:**

What is the estimated total contribution of the federal government to the world's fair including its share of the cost of the proposed upstream ice dam, the ramps from the Jacques Cartier bridge to the proposed Ile Notre Dame, the bridges from Ile Notre Dame to St. Helen's island and the proposed bridge from St. Helen's island to point St. Charles?

Mr. Badanai: The federal government is committed under the statute and the agreement between Quebec and the city of Montreal to provide a maximum of $20 million to the world's fair corporation. The corporation is responsible for providing services on the completed site. The federal government has also agreed to pay on the construction of an ice control structure the amount required in excess of $2½ million to be provided by the city. The amount of the excess has not been determined pending the results of engineering studies.

The federal government is not responsible for providing access by the bridges mentioned in the question.

May I add that the federal government will, like many other countries and some provinces, have an exhibit at the world fair, for which it will assume the cost.

WINTER BERTH, HYDROGRAPHIC SHIP "ACADIA"

Question No. 965—**Mr. MacEwan:**

In what port will the Canada hydrographic ship *Acadia* be berthed during the coming winter?

Mr. Benidickson: Pictou, Nova Scotia.

E.M.O. LODGING FACILITY CARDS

Question No. 976—**Mr. Fisher:**

1. Has EMO designed and ordered a "Canada lodging facility card—dwellings" and a "lodging facility card, commercial and congregate" and, if so, what quantity has been ordered, received, and at what cost?
2. Is such a card so framed that it enables EMO to determine the religion, language, colour of skin, and occupational class group of a citizen and, if so, what is the need and the future use for each of these categories of information?
3. Whose duty or responsibility will it be to see that these forms are filled in?
4. Where will the forms be kept?

5. Whose responsibility, and how, will the forms be kept up to date?

6. What is the total estimated administrative cost to the federal government in translating these forms into complete and useful files?

7. Are duplicate files to be kept at any central location, well protected from destruction during a nuclear attack, in order that the information cannot be irretrievably lost?

8. What communication systems will this file set-up be geared to in order to relay information and to backcheck on both lodgings and persons who may be destroyed in the nuclear attack?

Miss LaMarsh: 1. The emergency welfare services division of the Department of National Health and Welfare has designed and ordered a "Canada lodging facility card—dwelling" and a "lodging facility card, commercial and congregate".

2½ million (English and French total) "Canada lodging facility cards—dwellings" have been ordered, costing $11,400.

27,000 "lodging facility cards—commercial and congregate" have been ordered, costing $200.

This material is prepared as an aid to the provinces in carrying out responsibilities which rest with them. The extent to which it is used will depend on the views of the province. Provinces which wish to use the material are responsible for any arrangements with the municipality which are required.

2. The "Canada lodging facility card—dwellings" provides for the recording of information about the language, health, religion, origin, and occupation of residents of the dwellings concerned.

The information about any one or more than one of these factors may be recorded if, in the opinion of the municipality concerned, the use of the data relating to these factors may help to ensure the success of the long term placement of evacuees in private dwellings in that community in the event of an emergency.

Questions

3. The municipal service responsible for emergency lodging within the emergency welfare services is responsible for seeing that these cards are completed.

4. The cards should be kept in the municipal offices.

5. The municipal service responsible for emergency lodging within emergency welfare services is responsible for keeping the information on these cards up to date. There are many ways to do this, one being to combine their revision with the assessment review.

6. It is impossible to determine what municipalities are spending on this work, as the job is ordinarily done by municipal employees as part of their normal workload with assistance from volunteer workers within the emergency lodging service.

7. These cards are completed only for dwellings and buildings in reception communities, not for those in probable target areas. Therefore no duplicate cards are produced. These cards require the same care as is given to all municipal records.

8. The use of these cards is confined to the selection of accommodation in reception communities for those evacuees who are without housing due to an emergency.

MEDICAL SPECIALISTS, VETERANS AFFAIRS DEPARTMENT

Question No. 977—**Mr. Chatterton:**

How many medical specialists 2 are employed in the Department of Veterans Affairs, and of these (a) where are they located (b) what is each of their specialties and (c) how much salary is each of them being paid?

Answer: There are 52 medical specialists 2 employed in the Department of Veterans Affairs. The required data for each such specialist is as follows:

(a) *Location*		(b) *Specialties*	(c) *Annual Salary*
Camp Hill hospital,	—1—	Biochemistry	$ 14,800
HALIFAX, N.S.	—1—	Anaesthesia	14,200
	—1—	Surgery	16,900
Lancaster hospital,	—1—	Radiology	13,800
LANCASTER, N.B.	—1—	Pathology & bacteriology	14,800
	—1—	Anaesthesia	14,200
	—1—	Psychiatry	14,200
Ste. Foy hospital,	—1—	Pathology	14,200
QUEBEC 10, P.Q.	—1—	Surgery	14,200
Queen Mary	—1—	Psychiatry	16,900
Veterans hospital,	—1—	Radiology	17,400
MONTREAL, P.Q.	—1—	Radiology	15,800
	—1—	Bacteriology	16,900
	—1—	Pathology	14,800

Questions

(a) *Location*		(b) *Specialties*	(c) *Annual Salary*
Ste. Anne's hospital, Ste. Anne de Bellevue, P.Q.	—1—	Pathology	14,800
	—1—	Internal medicine	14,800
	—1—	Psychiatry	15,300
Sunnybrook hospital, TORONTO, Ontario.	—1—	Radiology	16,900
	—4—	Radiology	14,200
	—1—	Bacteriology	14,800
	—1—	Biochemistry & internal medicine	14,200
	—1—	Anaesthesia	16,900
	—1—	Anaesthesia	14,800
	—1—	Internal medicine	14,200
	—1—	Surgery	15,300
	—1—	Physical medicine	14,800
Westminster hospital, LONDON, Ontario.	—1—	Radiology	14,800
	—1—	Radiology	14,200
	—1—	Anaesthesia	15,300
	—1—	Psychiatry	15,300
	—1—	Psychiatry	14,800
Deer Lodge hospital, WINNIPEG, Manitoba.	—1—	Radiology	15,800
	—1—	Pathology	14,800
	—1—	Anaesthesia	15,800
	—1—	Psychiatry	14,200
Colonel Belcher hospital, CALGARY, Alberta.	—1—	Pathology & bacteriology	15,300
	—1—	Anaesthesia	15,300
	—1—	Surgery	15,800
	—1—	Internal medicine	15,800
University of Alberta hospital, EDMONTON, Alberta.	—1—	Internal medicine	14,200
Shaughnessy hospital, VANCOUVER, B.C.	—1—	Radiology	14,800
	—1—	Pathology	16,000
	—1—	Bacteriology	15,300
	—1—	Anaesthesia	15,800
	—1—	Anaesthesia	14,800
	—1—	Surgery	15,800
	—1—	Internal medicine	14,200
	—1—	Psychiatry	14,800
	—1—	Physical medicine	14,800

AUXILIARY AIR FIELDS, NORTH BAY AND EARLTON, ONT.

Question No. 1,024—**Mr. Peters:**

1. What plans is the government making for the immediate use or disposal of the former auxiliary fields to the air bases at North Bay and Earlton, Ontario?

2. Is it the intention of the government to dispose of these auxiliary fields and, if not, does the government intend to maintain the cleared landing field and control the weeds of these fields?

3. If it is the intention of the government to dispose of these fields, will they be disposed of by public tender?

Answer: 1. No plans are being made for the use of the former auxiliary fields to the air bases at North Bay and Earlton.

[Mr. Chatterton.]

2. It is the intention of the government to dispose of these auxiliary fields and they are no longer maintained as aerodromes.

3. Land provided by the province of Ontario for aerodrome purposes is being returned to the province. Land purchased for aerodrome purposes is being disposed of by public tender.

SILVER BOUGHT BY MINT

Question No. 1,028—**Mr. Peters:**

1. What was the total tonnage of silver concentrate exported to the United States last year?

2. What was the cost of silver imported into Canada for coinage purposes by the Royal Canadian Mint?

3. What was the price paid per ounce by the Canadian Mint for American silver?

4. What was the price paid for silver produced in Canada and shipped to the Royal Canadian Mint?

5. What assistance, if any, has been given by the federal government to aid in the production of silver in Canada?

Mr. Pickersgill: 1. The tonnage of silver concentrate exported to the United States in 1962 was 935 tons, which contained 2,803,300 troy ounces of silver. In addition, impure silver bullion containing 668,111 troy ounces of silver and weighing about 25 tons was exported to the United States.

The total amount of unrefined silver exported in 1962 to the United States in all concentrates, including those of lead, copper and zinc as well as of silver, was 6,751,273 troy ounces.

2. $12,985,072.82.

3. $1.164364 (average price).

4. $1.154839.

5. Silver mine producers, in common with other mine producers, are eligible for certain allowances in computing income tax. These include a 3 year tax exempt period for new mines, deferred write-off of preproduction expenses and an allowance for depletion of the ore body.

As was announced on February 1 in the House of Commons, the Royal Canadian Mint reached an agreement with Cobalt Refinery Limited to deliver from 2 to 6 million ounces of silver per year for five years, effective April 1, 1963, at competitive prices to be determined by negotiation every year the agreement is in force. This long term purchase contract provides encouragement for the production of silver in the Cobalt-Gowganda area of Ontario.

PUBLIC WORKS PROJECTS, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,035—**Mr. Latulippe:**

What are the projects included in the public works estimate of $4,800.00 for the constituency of Compton-Frontenac, where, and by whom will these work projects be carried out, and what are the amounts in each case?

[*Translation*]

Mr. Badanai: Coolshire: Painting the inside of the post office. Tenders will be called in October.

Lac Megantic: Painting the inside of the post office. Contract awarded to Mr. Claude Beaudoin, $600.

Sawyerville: Paving, post office. Contract awarded to Sabie & Sons, paving contractors, $250.

Scotstown: Painting the outside of the post office. Contract awarded to Mr. Ronald Stoakes, Bury, $567.

Scotstown: Repairs to brickwork, post office. Contract awarded to Mr. J. D. Poirier, $1,467.88.

[*Text*]

CONSTRUCTION OF GRAIN STORAGE ELEVATORS, BRIDGEWATER, N.S.

Question No. 1,046—**Mr. Crouse:**

Is it the intention of the government to construct grain storage elevators at Bridgewater, Lunenburg county, N.S.?

Mr. Pickersgill: No.

PENSION INCREASES UNDER ADJUSTMENT ACT

Question No. 1,049—**Mr. Knowles:**

1. How many persons (retired civil servants or widows, children or orphans thereof) are receiving increases in their pensions under the provisions of the Public Service Pension Adjustment Act?

2. What is the average amount of the increases being received by (a) retired civil servants (b) widows (c) children and (d) orphans?

3. How many of such increases are (a) less than $6 per month (b) more than $6 but less than $10 per month (c) more than $10 but less than $20 per month (d) more than $20 but less than $30 per month (e) more than $30 but less than $40 per month (f) more than $40 but less than $50 per month and (g) $50 a month or more?

4. Of those now receiving such increases, in how many cases do the increases bring the total pension being received to (a) $50 per month or less (b) $50.01 to $100 per month (c) $100.01 to $150 per month (d) $150.01 to $200 per month (e) $200.01 to $250 per month and (f) more than $250 per month?

5. How many persons whose pensions (a) as retired employees, are $250 a month or less (b) as widows, are $125 a month or less (c) as children of employees, are $25 a month or less and (d) as orphans, are $50 a month or less; are receiving no increases in their pensions under the provisions of the Public Service Pension Adjustment Act?

6. Are there any persons whose pensions (a) as retired employees, are $250 per month or more (b) as widows, are $125 per month or more (c) as children, are $25 per month or more (d) as orphans, are $50 per month or more; who are receiving increases in their pensions under the provisions of the Public Service Pension Adjustment Act and, if so, how many in each category?

7. Is consideration being given to amending the Public Service Pension Adjustment Act to provide a higher scale of increases and other improvements?

Answer: 1. 10,534.

2. (a) $18.14; (b) $10.30; (c) $.92; (d) $.57 per month.

3. (a) 2,401; (b) 2,070; (c) 3,659; (d) 1,586; (e) 568; (f) 168; (g) 82.

4. (a) 3,624; (b) 3,930; (c) 2,120; (d) 558; (e) 302; (f) 0.

5. (a) 17,621; (b) 6,078; (c) 2,156; (d) 334.

6. (a) none; (b) none; (c) none; (d) none.

7. The government, after carefully considering this question, has advised representatives of retired civil servants that it will not recommend amendments to the Public Service Pension Adjustment Act at this time.

Questions

*TRANSPORT DEPARTMENT AIRCRAFT CF-OTX

Question No. 1,057—**Mr. Marcoux:**

1. Of what type is the Department of Transport aircraft bearing markings CF-OTX?
2. On what date, and from whom, was it purchased?
3. What was its total cost?

[*Translation*]

Mr. Cantin: 1, 2, 3—The department does not own or operate an aircraft bearing markings CF-OTX. It is assumed that this question concerns the Lockheed Jet Star CF-DTX purchased from the Lockheed Aircraft Corporation, Marietta Division, and accepted for delivery on January 29, 1962. The total cost of that aircraft was $1,136,000.

[*Text*]

*PERMITS FOR EXPORTS TO RED CHINA

Question No. 1,058—**Mr. Mather:**

1. Within recent weeks has the government received appeals from the Gain Import Company of Vancouver concerning alleged U.S. blocking of Canadian auto part exports to mainland China?
2. Have a number of export permits issued by the government not been used because of U.S. controlled companies in Canada declining to supply goods to which export permits have been granted by the government?
3. If so, what action does the government contemplate in respect to freeing Canadian manufactured goods which have been approved by the government for export?

Mr. Pepin: 1. Yes.

2. Permits expire unless used within their period of issued validity, normally six months. It is assumed that an applicant for a permit has goods to export. The department does not inquire into the reasons why permits are not used.

3. See No. 2.

*T.C.A.—USE OF TERM "AIR CANADA"

Question No. 1,081—**Mr. Marcoux:**

Does the Minister of Transport intend to take action against Trans-Canada Air Lines for the irregular use of the term "Air Canada" on its timetables, tickets and posters?

[*Translation*]

Mr. Cantin: The use of the term "Air Canada" by the "Trans-Canada Airlines" is not irregular.

[*Text*]

WEIGHTS OF COMMODITIES FOR RETAIL SALE

Question No. 1,083—**Mr. Orlikow:**

Is the government considering legislation or regulations establishing reasonable weights or quantities or fractions or multiples thereof, in which that commodity shall be distributed for retail sale?

Mr. Pickersgill: None beyond that now in effect.

[Mr. Knowles.]

COMMODITY PACKAGES FOR RETAIL SALE

Question No. 1,084—**Mr. Orlikow:**

Is the government considering legislation or regulations preventing the distribution of that commodity for retail sale in packages of sizes, shapes or dimensional proportions which may deceive retail purchasers as to the net quantity of the contents thereof (in terms of weight, measure or count)?

Mr. Pickersgill: None beyond that now in effect.

DESIGNATION OF CONTENTS OF PACKAGES FOR RETAIL SALE

Question No. 1,085—**Mr. Orlikow:**

Is the government considering legislation or regulations establishing and defining standards of designations of size (other than statements of net quantity of contents) which may be used to characterize quantitatively the contents of packages containing that commodity?

Mr. Pickersgill: None beyond that now in effect.

INGREDIENTS AND COMPOSITION OF CONTENTS OF RETAIL PACKAGES

Question No. 1,087—**Mr. Orlikow:**

Is the government considering legislation or regulations establishing and defining standards for the quantitative designation of the contents of packages containing any consumer commodity of a kind the net quantity of contents of which cannot meaningfully be designated in terms of weight, measure or count; and requiring (consistent with requirements imposed by or pursuant to the Food and Drugs Act, as amended) that sufficient information with respect to the ingredients and composition of any consumer commodity (other than information concerning proprietary trade secrets) be placed in a prominent position upon packages containing that commodity and upon labels affixed thereto?

Mr. Pickersgill: None beyond that now in effect.

LANDING STRIPS, NORTHWEST TERRITORIES

Question No. 1,095—**Mr. Rheaume:**

1. Is the Department of Transport considering the establishment of emergency landing strips for any of the following communities in the Northwest Territories (a) Lac la Martre (b) Fort Rae (c) Fort Liard (d) South Nahanni (e) Fort Wrigley (f) Fort Norman (g) Fort Good Hope (h) Snowdrift (i) Arctic Red River (j) Fort McPherson (k) Coppermine (l) Spence Bay (m) Gjoa Haven (n) Arctic Bay (o) Pond Inlet (p) Pangnirtung (q) Cape Dorset (r) Chesterfield Inlet (s) Bathurst Inlet (t) Colville Lake, (u) Fort Franklin?
2. To what extent does the Department of Transport co-ordinate its plans for emergency airport construction with such other programs as the winter works projects planned by the department of northern affairs in the N.W.T.?
3. What new airports or extension to existing airports are planned for the 1963-64 fiscal year in the N.W.T.?

Answer: 1. No.

2. The department does not normally provide airports other than those required for

use by scheduled and regular air line passenger service, although it makes grants in aid for construction of airstrips necessary to serve remote areas where there is a local authority to undertake the construction and operation of the strip. Any airport construction undertaken by the department in the Northwest Territories is the subject of close co-ordination with the Department of Northern Affairs and National Resources.

3. While no new airports are planned for construction by the department in the Northwest Territories for the fiscal year 1963-64, the following extensions to existing airports are planned to proceed this year: (a) Banks island—extend existing landing strip. (b) Cambridge bay—install approach lighting for two runway approaches. (c) Inuvik—install approach lighting for two runway approaches.

MEDIUM SECURITY INSTITUTIONS

Question No. 1,102—**Mr. Orlikow:**

How many medium security institutions have been established by the federal and provincial governments since 1956, as recommended by the Fauteux report, and how many inmates are there in these institutions?

Mr. Chevrier: Two new medium security institutions have been built by the federal government since 1956 and two institutions that were operated as maximum security institutions are now operated under conditions of medium security. These institutions are kept as filled as is practical to their capacities of 1,850 inmates.

The federal government has no statistics of the security classifications of the provincial institutions.

TRANS-CANADA HIGHWAY—TOLLS THROUGH NATIONAL PARKS

Question No. 1,104—**Mr. Leboe:**

1. Are fees charged at entrances to national parks through which the trans-Canada highway passes and, if so (a) are such fees intended to cover (i) the use of the highway (ii) the use of other park facilities (b) are travellers, who follow the trans-Canada highway and who do not stop in the national parks, compelled to pay the same fee as those who use the park facilities and (c) under what authority are commercial and other travellers charged fees for passage on the trans-Canada highway through national parks?

2. Where no comparable alternative roads exist, is the government giving consideration to the waiving of fees for travellers not using park facilities?

Answer: 1. (a) A park automobile licence has been required on vehicles used in parks in western Canada since 1928. The fee is intended to offset in part the cost of park facilities, including highways, picnic areas, and semi-serviced campgrounds provided for the motoring public.

(b) All private cars used in these parks are required to carry a park licence.

(c) National parks highway traffic regulations.

2. No, since highways in the parks are themselves the most expensive of park facilities.

FILMS FOR C.B.C.

Question No. 1,105—**Mr. Thompson:**

1. How many half hour, and how many one hour, programs did the C.B.C. itself produce on film last year?

2. How many half hour, and how many one hour, programs did the C.B.C. contract out to the national film board?

3. How many half hour, and how many one hour, programs did the C.B.C. contract out to private Canadian film producers?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation that for the fiscal year ending March 31, 1963 the answers are as follows:

	Half hour	One hour
1.	137	15
2.	68	1
3.	196	16

*HOMES FOR OLD AGE SECURITY RECIPIENTS

Question No. 1,107—**Mr. Rynard:**

1. Do any agreements exist between the federal and any provincial government with respect to shelter and/or care and board provided for old age security recipients by (a) provincial, municipal or county homes for the aged (b) private nursing homes and (c) private homes for the aged?

2. Does the federal government maintain statistics on the number and location of old age security recipients in homes for the aged and, if so (a) how many are in governmental institutions and (b) what is the breakdown by provinces?

3. Are there any joint federal-provincial arrangements with regard to the care in homes of old age security pensioners and, if so (a) what is the nature of such agreements and (b) how many provinces have entered into such agreements?

4. By virtue of caring for old age security recipients, do any homes or welfare institutions receive, either directly or indirectly, financial aid from the federal government?

Miss LaMarsh: 1. Yes. Under the Unemployment Assistance Act and agreements, the federal government reimburses the provinces and their municipalities for 50 per cent of the costs of maintaining needy persons, including old age security recipients, in homes for special care which include homes for the aged, charitable institutions and proprietary nursing homes. The payments are based on costs of operation or on rates which are set or agreed to by the provinces and their municipalities.

2. Statistics on living arrangements of old age security recipients are not maintained.

3. (a) Yes. Under the Unemployment Assistance Act, the federal government reimburses the provinces and their municipalities for 50 per cent of supplementary assistance payments to recipients of old age security

living in their own homes. In order to be shareable, the payments must be based on a test of need which takes into account the recipient's requirements for items such as food, shelter, clothing, household incidentals and personal care, as well as his financial resources.

3. (b) All provinces have entered into agreements under the Unemployment Assistance Act.

4. See answer 1.

S.S. "TRITONICA"

Question No. 1,118—**Mr. Orlikow:**

Has the government any information concerning the vessel *Tritonica*, recently involved in a collision on the St. Lawrence river and, if so (a) at the time of the collision, where was the vessel registered (b) was the vessel owned, directly or indirectly, by a Canadian steamship company (c) what was the nationality of the vessel's crew, and to what union, if any, did they belong (d) did the vessel operate between Havre St. Pierre and Sorel, Quebec, and (e) was the vessel ever picketed by the S.I.U.?

Mr. Pickersgill: Yes; (a) Hamilton, Bermuda; (b) no; (c) the crew was of mixed nationality, consisting of British subjects, Chinese and Burmese; it would appear that the seamen did not belong to a trade union organizing in Canada; (d) yes; (e) no.

PROCEDURE RESPECTING GRANTING OF PARDONS

Question No. 1,121—**Mr. Orlikow:**

Has consideration been given to the Fauteux report's recommendations with respect to (a) the establishment of a procedure for the granting of pardons, with or without condition, on a more liberal scale (b) ensuring more frequent resort to the Criminal Code provisions authorizing the governor general in council to grant pardon rather than to grant them under the royal prerogative of mercy (c) devising some means by which unjustified inequalities in the length of sentences of imprisonment, especially in the case of co-offenders, can be remedied, and (d) the granting of a free pardon, whether or not one is sought in all cases where the innocence of a convicted person is established?

Mr. Chevrier: (a) The recommendation has been under consideration for some time.

(b) Under consideration together with (a).

(c) No.

(d) There is no information that such a situation has ever arisen.

PRODUCTION OF ELECTRIC POWER BY THERMAL UNITS

Question No. 1,122—**Mr. Fleming (Okanagan-Revelstoke):**

1. What information does the government have regarding the development of high temperature thermal units for the production of electrical power; units using coal, oil or natural gas as fuel?

2. Has the government any information concerning the price per kilowatt hour of power produced by these latest units in the United States of America and the U.S.S.R.?

[Miss LaMarsh.]

Mr. Benidickson: 1. All thermal power units installed in electric utility plants in Canada since the last war are of the high pressure-high temperature type though many operate for peak power only. Summarized information, including statistical data, may be obtained from the current issue of the Canada Year Book. Detailed information on plants can be obtained from the provincial power commissions.

2. A large U.S. modern generating unit with favourable fuel costs on base load can produce electric power from 3 to 4 mills per kwh exclusive of fixed charges and administrative expenses.

Estimated, average total cost of electric power produced by a Soviet regional power station is 8 to 9 mills per kwh.

INCREASED CONSTRUCTION COSTS FROM INCREASED EXCISE TAX

Question No. 1,123—**Mr. Fleming (Okanagan-Revelstoke):**

1. Has the government assessed the probable increase in the present estimated construction costs of the Columbia river treaty projects as a consequence of the imposition of an 11 per cent excise tax on building materials and production machinery and, if so, what is the amount of this increase?

2. Has the government estimated the cumulative increase on loans for construction which may be amortized over 20, 30 or 40 years at an interest rate of 4 per cent and, if so, what is the cumulative increase for each period?

Answer: 1. No.

2. No.

R.C.M.P. PICTURES USED IN U.S. BEER ADVERTISING

Question No. 1,130—**Mr. Howard:**

Is the government aware that life sized (or larger) bill board style pictures of the Royal Canadian Mounted Police are being used in the state of Michigan to advertise Drewry's beers and ales, and if so, has any representation been made to the appropriate U.S. authorities about the propriety of such an advertising association?

Mr. Chevrier: The government has been aware for a number of years that Drewry's Limited U.S.A., have been using life sized pictorial representations of a member of the Royal Canadian Mounted Police for advertising purposes.

On May 10, 1948, a similar question was asked in the House of Commons and the minister of justice, in reply, stated that no permission was given to advertisements of this nature. The commissioner of the Royal Canadian Mounted Police has, on several occasions, brought to the attention of Drewry's Limited U.S.A., the fact that this form of advertising would not be permitted in Canada as it is contrary to the provisions of the Royal Canadian Mounted Police Act.

These efforts to have Drewry's Limited U.S.A., discontinue this type of advertising have been to no avail.

CONSTRUCTION OF SCHOONER "BLUENOSE II"

Question No. 1,135—**Mr. Crouse:**

Was the construction of *Bluenose II*, recently launched at Lunenburg, subsidized by the federal government and if so, (a) what is the total amount of subsidy to be paid to the owners (b) what is the estimated total cost of the ship, and (c) what percentage of total cost was used when computing the subsidy?

Answer: A construction subsidy toward the cost of *Bluenose II* was authorized by the federal government on January 10, 1963, but no claim for subsidy has yet been presented nor has payment of subsidy been made.

(a) Under the regulations the subsidy is paid to the shipbuilder and not to the owners; the total amount of subsidy authorized is $103,880.

(b) The estimated cost of the ship, as set out in the joint application for subsidy, is $259,700.

(c) The authorization stipulates an approved cost for subsidy purposes of $259,700 and the regulations provide for the use of 100 per cent of that sum as the basis for computing the subsidy.

CANADIAN WORKERS IN NEW ENGLAND STATES

Question No. 1,139—**Mr. Dionne:**

1. Does the government have statistics concerning Canadian workers employed in the states of Maine, New Hampshire, New York and Vermont each year from 1955 to 1963?

2. Have agreements been entered into between Canadian and American authorities with respect to the payment of U.I.C. benefits to Canadian workers employed in the states of New York and Vermont and, if so, what is the nature of such agreements?

Mr. MacEachen: 1. Information regarding the number of Canadian workers employed in the states of Maine, New Hampshire, New York and Vermont for the years 1955 to 1963 is not available in so far as the Department of Labour and the unemployment insurance commission are concerned.

2. Yes. These agreements provide that a person who has acquired a right to benefit in Canada, who moves to either the state of New York or Vermont and who becomes unemployed while residing there, may make a claim against Canada by visiting the local unemployement compensation office, of the state, nearest to his residence and completing an application for benefit. That office sends the application to Canada, where eligibility is determined.

The claimant reports to the state office each week and makes a declaration as to his being unemployed the previous week. This declaration is forwarded by the state office to Canada, which then makes payment direct to the claimant.

Conversely, a person who has acquired a right to benefit in either New York or Vermont, who moves to Canada and who becomes unemployed while residing there may make a claim, against the state concerned, by visiting the nearest local office of the unemployment insurance commission in Canada and completing an application for benefit. The unemployment insurance commission office forwards the application to the state concerned, where eligibility is determined.

The claimant reports to the unemployment insurance commission office each week and makes a declaration as to his being unemployed the previous week. This declaration is sent by the unemployment insurance commission office to the state concerned, which then makes payment direct to the claimant.

In summary, Canada acts as agent in taking claims for New York or Vermont for persons residing in Canada who have acquired benefit rights in either of these two states. On the other hand, these two states act as Canada's agent in taking claims for persons residing in those states and who have acquired benefit rights in Canada.

FEDERAL EXPENDITURES, KAMOURASKA-L'ISLET COUNTY, QUE.

Question No. 1,140—**Mr. Dionne:**

What was the cost of federal public works in the county of Kamouraska-L'Islet from 1955 to 1963 (a) for the maintenance and repairs to wharves (b) for the construction and repairs to post offices?

Answer: (a) $146,118.52; (b) $20,119.97.

INDUSTRIAL DEVELOPMENT BANK LOANS, TIMISKAMING RIDING

Question No. 1,142—**Mr. Peters:**

Has the industrial development bank made any loans to entrepreneurs in the riding of Timiskaming during the years 1959 to 1963 and, if so (a) how many requested loans in each year (b) how many were completed for each year, giving name and amount in each case, and (c) how many of these loans are now in default, and what are the names of the companies involved in each case?

Answer: The information requested is not available. Loan approvals are classified by provinces on pages 16 and 17 of the last annual report of the industrial development bank and by types of businesses on pages 18 and 19 of that report.

RURAL MAIL CONTRACT, SIEGAS, N.B.

Question No. 1,143—**Mr. Bell:**

1. Has a rural mail contract been awarded, renewed, or extended to Mr. Abel Thibodeau, R.R.1, Siegas, N.B., and, if so, were public tenders called?

2. Did the Postmaster General personally approve of this contract and, if so, under what authority?

Questions

3. Was there any increase in the existing rate of $3,095.85?

4. What was the date of approval?

5. Were complaints received concerning the service of said mail carrier during any previous contracts?

6. What is the present policy regarding tendering for mail carrier contracts above $1,000?

7. Has there been any recent change in this system?

Mr. Denis: 1. Present contract with Mr. Thibodeau for Siegas R.R.1 expires 30th September 1963 and it was our intention to renew the contract under authority of the Post Office Act, Section 31 (1). However, the contractor has asked for an increase in rate but negotiations with the contractor have not yet been completed.

2. See No. 1.

3. See No. 1.

4. See No. 1.

5. No service complaints.

6. Tenders must be called for a new contract, but an expiring contract may be renewed with the same contractor.

7. No.

INTERNATIONAL MONETARY FUND MEETING

Question No. 1,144—**Mr. Thompson:**

1. Will Canada be sending a delegate to the meeting of the international monetary fund in September and, if so, who will be the delegate?

2. Will matters relating to international trade and settlements be discussed at this meeting?

3. Will Canada have any specific plan or policy to submit on this question?

4. Does Canada have any official policy on international monetary arrangements (e.g., a preference for a flat money system rather than the use of gold for international settlements)?

5. Will the House of Commons have an opportunity to discuss any arrangements that will be made before they become binding on this country?

Answer: 1. The Minister of Finance, Hon. Walter L. Gordon, is the governor for Canada of the international monetary fund and will be attending.

2. Yes.

3. Any announcement of government policy will be made in due course.

4. Canadian policies in these fields are represented in the management of government affairs including foreign exchange reserves and in the objects and operations of the international organization such as the international monetary fund of which Canada is a member.

5. Yes.

USE OF AIRPORT RUNWAYS, BOUNDARY BAY, B.C.

Question No. 1,146—**Mr. Mather:**

Are runways at the disused Boundary Bay, B.C. airport being used from time to time for go-cart racing?

[Mr. Bell.]

Answer: No, go-cart racing has never been permitted on the runways at the Vancouver wireless station, Boundary Bay, B.C. However, five dependant children, ages 12 to 15 years, living on the station have purchased or constructed go-carts and have been permitted the use of a disused section of the runways

UNEMPLOYMENT INSURANCE FUND

Question No. 1,147—**Mr. Howe (Hamilton South):**

1. From May 16 to August 1, 1963, what has been the net change in the balance of the unemployment insurance fund, not including government subsidies and reimbursements of them?

2. From May 16 to August 1, 1963, in what amount was the unemployment insurance fund subsidized by government loans?

3. As of August 1, in what amount has the government been reimbursed for the above loans?

Mr. MacEachen: 1. Not available.

2. $5 million.

3. $33 million.

CONTRACT WITH BUSINESS CONSULTANTS, PUBLIC PRINTING AND STATIONERY

Question No. 1,148—**Mr. Fisher:**

1. Is treasury board aware of any employment by the Department of Public Printing and Stationery of the services of any business consultants during the years 1961 and 1962 and, if so (a) what was the name of the business consultant firm (b) when was the contract authorized, and by whom, and (c) what was the contract price?

2. If the employment was terminated (a) by whose authority (b) for what reason and (c) what was the final price paid?

Answer: (a) P. A. Management Consultants Ltd. (b) October 5, 1961, by treasury board. (c) $111,600 (estimated), plus travelling and subsistence when consultants are engaged on the department's business away from the office or plant to which they are assigned, based on a fee of $900 per week per consultant, plus travelling and subsistence.

2. The treasury board has received no submission from the Department of Public Printing and Stationery concerning the termination of the contract.

SUPPLY OF "HANSARD" TO NEWS DISTRIBUTING MEDIA

Question No. 1,152—**Mr. Smith:**

1. Are copies of *Hansard* supplied to all daily and weekly newspapers in Canada and, if so, upon what terms?

2. Is *Hansard* supplied to radio and television stations maintaining their own news and/or editorial staffs upon the same basis as newspapers?

Mr. Drury: In so far as the Department of Public Printing and Stationery is concerned—

1. Copies of *Hansard* are sent to those daily and weekly newspapers in Canada who supply a copy of their paper to the reading room of the House of Commons. The necessary

copies distributed by the Department of Public Printing and Stationery are supplied by the House of Commons.

2. *Hansard* is not supplied free to radio and television stations.

QUESTIONS PASSED AS ORDERS FOR RETURNS

WINTER WORKS PROJECTS, COMPTON-FRONTENAC CONSTITUENCY

Question No. 1,036—**Mr. Latulippe:**

1. Have one or several applications from the town of East Angus in the constituency of Compton-Frontenac, been received for federal assistance in winter works projects and, if so, (a) for what projects, and what are the respective amounts granted in each case (b) has the federal government received claims from the provincial auditor for payment of the federal share?

2. Have one or several applications from the town of Cookshire in the constituency of Compton-Frontenac been received for federal assistance in winter works projects and, if so (a) for what projects, and what are the respective amounts granted in each case (b) has the federal government received claims from the provincial auditor for payment of the federal share?

3. Have one or several applications from other municipalities in the constituency of Compton-Frontenac been received and, if so (a) what municipalities (b) what were the works projects in each (c) what sums were granted in each case (d) were claims made by the provincial auditor for each of these cases?

Return tabled.

EXPENDITURES ON CAMP SITES AND PICNIC GROUNDS

Question No. 1,044—**Mr. Hamilton:**

1. What is the total amount spent by the federal government on camp sites and picnic grounds under all programs in the fiscal years 1957-58 to 1962-63 and, of this, what amount was spent in each province?

2. What is the estimated number of camp grounds and picnic sites, by provinces, that have resulted from (a) the trans-Canada program and (b) the winter works camp ground and picnic site program?

3. Is there any estimate, by provinces, of camp ground spaces that their program provided and, if so, what is the number by provinces?

Return tabled.

TOURIST PROMOTION EXPENDITURES

Question No. 1,067—**Mr. Dinsdale:**

1. What was the total dollar value of the tourist industry to the Canadian economy in 1962?

2. What was the total grant made by the government of Canada to the Canadian Broadcasting Corporation in 1962?

3. What role does the Canadian Broadcasting Corporation play in encouraging the tourist industry through (a) its television facilities (b) its radio facilities and (c) its overseas transmissions?

4. Does the Canadian Broadcasting Corporation have any plans to expand its tourist promotion activities?

Return tabled.

Inquiries of the Ministry

LABOUR RELATIONS

ST. LAWRENCE RIVER—THREATENED STRIKE OF LONGSHOREMEN

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 Minister of Labour. In view of the serious consequences to the movement of grain through the St. Lawrence ports, what action is the government contemplating to abort the threatened walkout of longshoremen at Three Rivers, Quebec and Montreal on Friday? What is the general plan, and what is being done in this connection?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, as I understand it the strike vote was taken yesterday among the longshoremen following a recommendation from a committee within their organization which had previously decided to reject the unanimous report of the conciliation board that had dealt with this dispute. Within the law a legal strike cannot occur until Friday of this week. In the meantime the Department of Labour is keeping in touch with the situation, and every possible consideration is presently being given to what constructive role the department, or a representative named by the department, might take in resolving the difficulty before the expiry of the strike notice.

Mr. Diefenbaker: As a supplementary question, is this threatened strike in any way attributable to the close relationship which existed in the past between Hal Banks of the S.I.U. and the international longshoremen's association?

Mr. MacEachen: Mr. Speaker, the outcome at the present time is the direct result of a long series of steps taken since the beginning of this year to reach a work contract between the Shipping Federation of Canada and the longshoremen's union. That is, of course, a sequence of events with which I think we are all familiar. I do not comment, nor do I have any knowledge which would allow me to comment, on any association between this particular decision and Mr. Banks.

Hon. Michael Starr (Ontario): As a supplementary question, in the event that no solution is possible between the two parties to this dispute, is the minister contemplating or planning putting in a mediator in order to bring about a settlement prior to a strike?

Mr. MacEachen: Mr. Speaker, I think my answer to the Leader of the Opposition indicated that this is one of the possible lines of action that might be taken by the department.

[*Later:*]

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Labour. I apologize for not giving him notice of my question.

Is the government contemplating action to protect Canadian seamen in danger of losing their jobs to American seamen, because of the dispute between the various seamen's unions?

[*Text*]

Mr. MacEachen: Mr. Speaker, I have no knowledge of this particular aspect of the problem, namely that there is some threat to Canadian jobs from United States seamen. I have no information on that point. I would be glad to receive any, however.

GREAT LAKES—REQUEST FOR STATEMENT ON PRESENT POSITION

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 Labour. Will he make a statement regarding the negotiations or discussions that he has had with the secretary of labour of the United States? Furthermore, on the basis of discussions either with Mr. Wirtz or with labour union leaders has any settlement been arrived at with respect to the situation on the great lakes? It is very important that we have this information to know whether the government intends to proceed at once to take action to ratify certain suggestions of the Norris commission.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I appreciate the opportunity provided by the Leader of the Opposition to say a word or two about this very important matter. The intention of the government at the present time is to proceed with the legislation setting up the trusteeship and I think that the resolution preliminary to the bill itself will appear on the notice paper tomorrow.

When I announced the decision of the government with respect to the public trusteeship I stated that the interval would provide an opportunity to search for a possible alternative method for a private settlement undertaken by the labour centres in Canada and the United States. We have used this interval to hold discussions directed toward that objective. On the week end we held a meeting in Boston with the secretary of labour of the United States and representatives of both the United States trade union movement and the Canadian trade union movement. From that meeting no solid foundation developed to lead us to believe that we can obviate the necessity of proceeding with this legislation.

Having said that, Mr. Speaker, I think I should tell the house in all fairness that I have some faint hope that if we get a break in the next short time we may be in a different position in several days, but at the moment the decision is to proceed at the earliest possible opportunity, having given the necessary notice, with the trusteeship legislation.

Mr. Diefenbaker: I thank the minister and ask him to tell the house what he meant by those words, "if we get a break"?

Mr. MacEachen: May I say, Mr. Speaker, that in these discussions there have been certain lines of possibility opened up on the week end, and if those lines lead to a fortunate consideration or decision there may be an alternative present itself. However, at the moment, I cannot give any assurance nor would I wish to mislead the house on that point. It was for this reason I wanted to indicate that possibility.

Hon. Michael Starr (Ontario): May I ask a supplementary question? Would this possibility have the same desired effect as the recommendation of Mr. Justice Norris?

Mr. MacEachen: In my statement on August 1, I indicated that any substitute action would necessarily have to be effective action. When I use the word "effective" I mean that it would have the effect of restoring peace on the great lakes and on the waterfront, and provide for clean and democratic unionism.

Mr. Starr: What I was referring to in particular was the recommendation of Mr. Norris concerning the disposal of Mr. Banks as head of the union. Will this alternative now being contemplated have the same desired effect?

Mr. MacEachen: Mr. Speaker, I do not think it would be prudent for me to go beyond the statement of these two particular objectives.

PENSIONS

INQUIRY AS TO CONSIDERATION OF LEGISLATION THIS SESSION

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to address a question to the Prime Minister. In view of the statement he made on television last night will the

measure to provide for a contributory pension plan be proceeded with in this session, or will he wait until he has final approval from the province of Ontario before making further progress with the matter?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the procedure with regard to this matter will be determined by developments and decisions that will be taken by the provinces concerned, including the province of Ontario. I cannot make any further statement at this time on the matter.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, can the Prime Minister say whether the government will ask the house today to proceed with the other legislation raising old age pensions by $10 a month?

Mr. Pearson: We shall get to that in a few minutes.

Mr. Heward Grafftey (Brome-Missisquoi): I have a supplementary question for the Prime Minister, Mr. Speaker. Since the Minister of National Health and Welfare visualizes, as a possible result of a large state controlled pension fund such as that envisaged by Mr. Lesage of Quebec, a degree of government control tantamount to that under national socialism in Germany, will the Prime Minister inform the house whether her statement in this regard represents the official government view?

Mr. Pearson: The government's view will be made known in due course, Mr. Speaker.

Mr. Diefenbaker: That is a very poor answer.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Can he tell the house whether the Minister of National Health and Welfare was speaking on behalf of the government when she stated, as reported by the *Globe and Mail,* that the Quebec government's pension plan is along nazi lines.

[*Text*]

Mr. Pearson: I have no knowledge that the minister made any such statement; therefore the question cannot be the subject of a reply.

[*Translation*]

Mr. Pigeon: I wish to put a supplementary question. Does the Prime Minister intend to advise the Minister of Justice to dispatch a R.C.M.P. squad in the province of Quebec to check the rise of nazism?

[*Text*]

[*Later:*]

Hon. Michael Starr (Ontario): I wish to direct a question to the Minister of National Health and Welfare having to do with the Canada pension plan. I should like to know whether any effort is being made by herself, or by the government, or both, to try to bring Mr. Lesage into the plan in order that it may be truly a Canadian pension plan. I am sure the hon. lady would agree that the participation of Quebec in this plan is just as important as the participation of Ontario.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I think the hon. member knows that two provinces, Ontario and Quebec, have been asked to nominate members to attend technical committees to discuss this question of pensions.

ROYAL CANADIAN AIR FORCE

PENHOLD, ALBERTA—USE AS JET TRAINING BASE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Minister of National Defence. During the past few weeks an apparent reversal of policy has been reported in the press regarding the extension of the R.C.A.F. base at Penhold into a jet aircraft training base. Because this is causing a good deal of concern and confusion throughout central Alberta I would ask the minister whether it is correct that his department does not intend to carry through with plans which are completed even to the extent of having received tenders for construction work and, if not, what are his reasons for reversing the decision of his department?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it is true that the Royal Canadian Air Force had planned to use the R.C.A.F. station Penhold for jet training. In order to accomplish this there were certain things that had to be undertaken. These included the acquisition of additional land, the extension of the runways and the determination of whether there was sufficient available air space to make jet training feasible. Some additional land was in the process of being acquired and tenders were called for the extension of the runways, but in the course of the negotiations with the Department of Transport with respect to the use of available air space it became obvious that sufficient air space could not be made available to make jet training at Penhold feasible. It was this fact that determined beyond peradventure

that the department had no course open to it other than abandoning jet training at R.C.A.F. Penhold.

Mr. Thompson: A supplementary question, Mr. Speaker. In the light of the remarks of the Minister of National Defence I would like to direct a supplementary question to the Minister of Transport or, in his absence, to his parliamentary secretary. This being the case, how can he explain the position of the Department of Transport regarding the conflict with normal air lane traffic having left it to this very late date when preparations had been made, as has been stated, by the Department of National Defence, and when it was a foregone conclusion that the development would be proceeded with forthwith?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): I will take the question as notice, Mr. Speaker, and bring it to the attention of the minister.

Mr. Woolliams: A supplementary question, Mr. Speaker.

Mr. Speaker: Order. I am not at all sure that the last question asked by the hon. member for Red Deer was in order. It seems to me he was advancing an opinion rather than asking a question. If that is true, I do not think a supplementary question can be asked. If the hon. member has a direct question to put, he may put it.

Mr. Eldon M. Woolliams (Bow River): My question is supplementary to the one that was in order, Mr. Speaker. I would like to direct my question to the Minister of National Defence. Is it not a fact that the minister reversed the position that he took about three weeks ago in reference to this matter because of a conflict with his colleague the Minister of Transport?

Mr. Hellyer: No, Mr. Speaker. As soon as the facts were before me the decision was obvious.

An hon. Member: So you made the first decision without having the facts.

[*Later:*]

Mr. E. Nasserden (Rosthern): I wish to direct a supplementary question to the Minister of National Defence. In the light of the views expressed today with regard to the Penhold site, could the hon. gentleman tell us if Saskatoon is being considered as a possible location for the R.C.A.F. jet training base?

Mr. Hellyer: The R.C.A.F. is looking at a number of sites in western Canada for its jet training. A number of other stations where this training could take place are presently available and no decision has yet been reached. As soon as a decision has been made we shall announce it.

Mr. S. J. Enns (Portage-Neepawa): Is one of those other sites the R.C.A.F. station at Macdonald?

Mr. Hellyer: I do not think it is being considered, but I am sure it will not be overlooked.

Mr. Speaker: The hon. member for Humboldt-Tisdale-Melfort.

Mr. Reynold Rapp (Humboldt-Tisdale-Melfort): Thank you, Mr. Speaker, but the question I intended to direct to the Minister of Trade and Commerce pertaining to Churchill has already been asked by the hon. member for Churchill.

NATIONAL DEFENCE

NUCLEAR WARHEADS—REQUEST FOR PARLIAMENTARY CONSIDERATION OF AGREEMENT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Prime Minister and ask him whether it is the intention of the government to lay before parliament for approval the agreement recently signed by the Canadian and United States governments regarding the conditions under which nuclear warheads would be made available to Canadian forces.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to thank my hon. friend for giving me notice of his question. The answer is in the negative. The agreement to which my hon. friend refers is not a treaty or heads of state agreement, which would require ratification and the customary prior approval of the House of Commons. It is an executive agreement, an exchange of notes between governments. The customary and appropriate constitutional procedures have been followed in respect of this matter, which has already been discussed in the House of Commons.

Mr. Douglas: A supplementary question, Mr. Speaker. In view of the changed circumstances brought about by the nuclear test ban agreement, does the Prime Minister not think this is a matter which ought to be submitted for the opinion of the house?

Mr. Pearson: Mr. Speaker, I do not think the nuclear test ban agreement, which we all welcome, changed the situation in respect of this particular matter in a way which requires the government to alter the normal constitutional procedures with regard to it.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Prime Minister be prepared to table that agreement?

Mr. Pearson: As I announced at the time the agreement was signed, there were military details in this exchange of notes which, in accordance with NATO practice and considerations of military security, could not be made public, as I am sure my right hon. friend will appreciate.

Mr. Diefenbaker: Is it not possible to produce excerpts from the agreement other than the actual sections which come within military security? Surely the Canadian people have a right to know something of the subterranean operations that have gone on.

Some hon. Members: Hear, hear.

Mr. Pearson: Mr. Speaker, when the press statement was issued all the information which it was possible to give was given, and the procedure which was followed was that which I am quite sure the right hon. gentleman would have followed in similar circumstances if he had brought to a conclusion the draft agreement which he was considering at the time.

Mr. Diefenbaker: Mr. Speaker, I still ask the right hon. gentleman whether this cannot be done. There was a tremendous reversal of opinion on his part in this connection.

Some hon. Members: Order.

Mr. Diefenbaker: Will he not consider tabling the sections of the agreement which do not contravene security? That is the simple question.

Mr. Pearson: Mr. Speaker, the right hon. gentleman of course knows, because he has followed the procedure himself in the past, that in an exchange of notes of this kind dealing with military matters, to take out of an agreement two or three paragraphs and make them public would not only be a breach of security but would be a quite improper constitutional procedure.

Mr. Pigeon: The Nobel prize answer.

Mr. Diefenbaker: Quite improper politically, possibly.

[*Later:*]

[*Translation*]

On the orders of the day:

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to direct a question to the Prime Minister. Has the federal government received official or unofficial protests from the Quebec government concerning the acquisition of nuclear arms by Canada, and their storage at La Macaza, in the province of Quebec? If so, what has been the reply of the government?

[*Text*]

Mr. Pearson: To my knowledge no such protests have been received.

BOBCAT PERSONNEL CARRIERS—INQUIRY AS TO PRODUCTION

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): I have a question for the Minister of National Defence. I should like to ask him if the production of the armoured personnel carrier called the Bobcat has been discontinued?

Hon. Paul Hellyer (Minister of National Defence): No, it has not, Mr. Speaker. Production of the prototype model is still continuing.

Mr. Churchill: Is it the intention to continue production or has the minister given instructions to discontinue it after the present program has been completed?

Mr. Hellyer: There have been no instructions, Mr. Speaker. There are 20 prototypes being produced. They have not yet been accepted as technically acceptable to the armed forces. If there is any further word on that, it will be announced.

PARLIAMENT HILL

COLLECTION OF OVERPAYMENTS TO CHAR STAFF

On the orders of the day:

Mr. Lloyd Francis (Carleton): Mr. Speaker, I wish to address a question to the house leader in his capacity as Secretary of State. I refer to a press article of this morning from which it would appear that the char staff on parliament hill have been subject to the collection of what is alleged to be an overpayment during the summer, which has led to their receiving very, very small pay cheques. Has the matter been brought to the attention of the minister and is any action contemplated?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I do not think that strictly this question comes within my constitutional purview, but since Your Honour cannot answer the question I can assure the house that it will be taken into immediate consideration and that any redress that can be made will be made as quickly as possible.

TRANS-CANADA AIR LINES

WINNIPEG—TRANSFER OF OVERHAUL AND MAINTENANCE BASE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the

Prime Minister a question concerning the T.C.A. overhaul and maintenance base in Winnipeg. My question will not take him by surprise because he has received a telegram from E. A. Smith, the chairman of the special committee on this subject.

I would like to ask the Prime Minister whether he is now prepared to announce his decision concerning this base, in order to honour the commitment he made during the election campaign and when he met with the Manitoba delegation on June 18.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will undoubtedly honour the commitments I have made on this matter, which have been misrepresented in so many quarters. The decision of the government in this matter will be made known as soon as it has been able to give consideration to all the factors involved, including the report in question, which is only one factor.

Mr. Churchill: Mr. Speaker, I wonder whether I could ask a supplementary question of the Prime Minister. The Winnipeg *Tribune* of Thursday, September 26, quotes Mr. Molgat, the provincial leader in Manitoba, as saying concerning this overhaul and maintenance base—

Some hon. Members: Question.

Mr. Churchill:—that he had no assurances "at present" that the base would be retained "except statements by Mr. Pearson in December". Do we take it from this that the Prime Minister gave certain assurances to Mr. Molgat in December that the base would be maintained in Winnipeg?

Mr. Pearson: Mr. Speaker, I gave no assurances to Mr. Molgat that I have not already given in public and about which my hon. friend knows.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I should like to ask the Prime Minister a supplementary question. In view of the fact that plans are under way in Manitoba for another delegation to come to Ottawa on this matter, can the Prime Minister say whether the government's announcement will be made soon, so this delegation can ascertain whether or not it will have to make the trip?

Mr. Pearson: Yes, Mr. Speaker, I hope the announcement will be made at the earliest possible date.

TRADE

WHEAT—INQUIRIES AS TO SALE TO RUSSIA

On the orders of the day:

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, there is talk among farmers that the price had to be greatly lowered, by 25 cents to 30 cents a bushel, in relation to the March future price at Chicago in order to close the wheat deal with the Russians. Can the Minister of Trade and Commerce give us some idea of the price sacrificed per bushel on this Russian wheat deal?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I thank the hon. gentleman for making the first reference in this house to this magnificent transaction.

Some hon. Members: Hear, hear.

Mr. Sharp: I should have been very reluctant to do so myself.

Some hon. Members: Oh, oh.

Mr. Sharp: May I assure my hon. friend that the reports he referred to are pure fiction. The Canadian wheat board entered into the contract with the Soviet authorities at the going market price at that time.

Mr. Eldon M. Woolliams (Bow River): A supplementary question of the minister. What was the going market price at that time?

Mr. Sharp: As the hon. gentleman knows, the Canadian wheat board does not reveal its transactions. If the hon. gentleman would like to know what going market prices were at that time he has only to look at the list.

Mr. Woolliams: Mr. Speaker, I rise on a question of privilege. As I understand it, the minister informed the newspapers of this country that it was a $500 million deal. If he can tell the newspapers what the price was, then surely he can disclose that fact to this House of Commons.

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. In light of the very disturbing reports that none of the shipments of grain to Russia will be exported through the port of Churchill, can the minister tell the house how this unbelievable situation has arisen, and would he also take another look at the situation and see whether a good portion of this grain can go through this port by means of keeping it open a little longer this fall?

Mr. Sharp: Mr. Speaker, I would be very happy to answer this question. I received notice from the hon. member for Burnaby-Coquitlam that he would ask the same question. Although the feasibility of using Churchill for shipments to the Soviet union was a matter of discussion between the Canadian wheat board and officials of the U.S.S.R., it was not found possible to use Churchill as a port of exit for the grain recently sold to that country. This important port has a

heavy program for this navigation season, and it is expected that Churchill will have a record high volume of wheat movement this year. I have before me the figures of recent movement, and for those who are familiar with the subject the estimated movement for this crop season will be 22,500,000 bushels, which I think everyone will recognize is a new record. The Soviet union required shipment prior to the opening of the 1964 Churchill navigation season, and the contracts were drawn up accordingly.

The government is very anxious to maximize the movement of wheat through Churchill. It is very conscious of the advantages of moving wheat in that direction, not only to the farmers but in order to reach as high a volume of exports as possible this season. The Canadian wheat board have advised that they are still prepared to enter into further commitments for shipment out of Churchill this fall. Account must be taken, however, of the buyers' wishes in this regard, and to date the fact is that no buyer has been prepared to charter vessels for Churchill that would involve movement beyond October 20. In this connection marine insurance is increased on October 15 and no insurance is available after October 20.

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question to the Minister of Trade and Commerce. In light of reports that most, if not all, of the flour shipments in this Russian deal are going through the port of Halifax, would the minister be prepared to state the government's intentions in this regard in regard to all eastern ports, since flour is the most lucrative commodity for the communities involved?

Mr. Sharp: All I can say to the hon. member is that everything possible is being done to export every bushel of wheat and every barrel of flour that can be moved out of our ports this year. If there are any suggestions that any hon. members have for ways in which the total movement might be increased, we would be very happy to have them.

Mr. Kindt: A supplementary question. Was the wheat deal with Russia on the basis of Canadian funds or U.S. funds or sterling? If it was on the basis of Canadian funds, was the exchange rate of 92½ cents to the U.S. dollar kept in mind and the Canadian wheat farmer protected? We are all happy about the Russian sale—

Some hon. Members: Hear, hear.

Mr. Kindt: —but I would like to make sure the Canadian farmer has been protected.

Mr. Sharp: All I wish to assure my hon. friend of is this. The Canadian wheat board does everything possible to get the highest possible price and to safeguard the interests of the farmers for whom they act.

Mr. Kindt: Yes, but was it made in Canadian or U.S. funds?

Mr. Sharp: The Canadian wheat board fixes its price in Canadian dollars but is willing to accept U.S. funds or sterling as long as they can be converted to Canadian funds.

Mr. Kindt: But was the contract in terms of Canadian funds or U.S.; I mean the over-all contract?

Mr. Sharp: The Canadian wheat board always sells its grain at the going market prices which are expressed in Canadian funds. It does not really matter to the Canadian wheat board how the transaction is carried on as long as the wheat board gets its price and gets its money.

Mr. Simpson: Mr. Speaker, a supplementary question to the Minister of Trade and Commerce. The most recent publication of the *Manitoba Co-Operator* carries a statement by the president of the St. Lawrence seaway, Mr. R. J. Rankin, which indicates that it is probably intended to keep the St. Lawrence seaway open longer this year if possible. This statement and these plans have apparently been made since the Russian wheat deal was finalized. Could not the same situation apply as far as Churchill is concerned? Were the Russian negotiators made aware of all the desirable features of shipping out of Churchill?

Mr. Sharp: Yes, Mr. Speaker. I can assure the hon. member that the Canadian wheat board did everything possible to ship as much wheat as possible through Churchill. The fact that they were not able to persuade the Soviet union to take more out of Churchill was simply because they found that, everything considered, it was better to take the wheat out of other ports in this season. We are still hopeful that in 1964, if there can be a renewal or extension of this agreement, Churchill will be used.

Hon. Paul Martineau (Pontiac-Temiscamingue): I have a complementary question for the hon. minister. I wonder whether the minister would elaborate on the remarks which he is supposed to have made during his recent pilgrimage to western Canada, when he told the western grain growers that the Russian wheat deal was more or less a fluke, that they were not to expect a repeat and should be encouraged to grow less wheat?

Mr. Speaker: The hon. member for Wellington South.

Inquiries of the Ministry

Mr. Martineau: Well, I wonder whether the minister would care to give an answer.

Mr. Sharp: May I say, Mr. Speaker, that if what the hon. member says I said is true, then I was misquoted.

Mr. Martineau: Well, what did the minister say on that occasion?

LABOUR CONDITIONS

BRANTFORD, ONT.—DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, perhaps we can bring the questioning round to a more central part of Canada. I should like to direct my question to the Minister of Industry. In view of the great difficulty of attracting new industries to the Kitchener-Guelph-Galt area due to Brantford having been designated a distressed area, I am wondering whether the minister would consider removing Brantford from the list of designated or distressed areas in Canada.

Hon. C. M. Drury (Minister of Industry): I am sure the hon. member is aware that employment in the Brantford national employment service area is, and has been for a number of years, at a much lower level than in the Guelph area. In view of this disadvantage which the Brantford area has suffered over a number of years I am sure he would not wish it to be placed at a continuing disadvantage in favour of the Guelph area which, for one reason or another, has been more favoured than Brantford over the past years.

Mr. Hales: A supplementary question. Would the minister, recognizing the proximity of these two cities, which are only 35 miles away from each other, consider putting both of them, or all the cities in this area, on an equal basis?

Mr. Drury: I would be glad to consider it.

(Translation):

CRITERIA USED FOR DESIGNATION OF DISTRESSED AREAS

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to ask the President of the Privy Council a question.

Is it true that it was stated by the President of the Privy Council that the criteria used to determine the economically "depressed areas" were not final criteria, and were the discussions concerning those criteria held in cooperation with the provincial governments of the country?

[Mr. Speaker.]

Hon. Maurice Lamontagne (President of the Privy Council): Mr. Speaker, I do not recall having made any such statement.

QUEBEC—REPORTED INCREASE IN NUMBER OF UNEMPLOYED

On the orders of the day:

Mr. Theogene Ricard (St. Hyacinthe-Bagot): May I direct a question to the Minister of Labour? In view of the ever increasing number of people out of work in the province of Quebec, can the minister tell the house whether he has taken steps to reduce the number of unemployed in that province in the years to come?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): I think the facts indicate the contrary to the assertions made by my hon. friend.

DEFENCE PRODUCTION

REPORTED CANCELLATION OF AIRCRAFT SALES TO U.S.

[*Translation*]

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Minister of Industry? Is it true that the United States have recently cancelled a $31 million order for Cariboo planes? If this is the case, does the minister think that such an action might be interpreted as a retaliation against the Canadian government, in view of the latter's intention to expand our automotive industry?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I am not prepared to confirm such a cancellation, and I am confident that the United States will continue to place orders with the de Havilland Company.

[*Text*]

CANADIAN BROADCASTING CORPORATION

ST. JOHN'S, NFLD.—CONSTRUCTION OF TELEVISION STATION

On the orders of the day:

Mr. Richard Cashin (St. John's West): I should like to direct a question to the Secretary of State. I wonder if the hon. gentleman could inform the house when the Canadian Broadcasting Corporation will be granted a licence to operate a television station in the city of St. John's.

Some hon. Members: Order paper.

Hon. J. W. Pickersgill (Secretary of State): The government this morning authorized the Minister of Transport to issue such a licence.

INDUSTRY

NOVA SCOTIA—ESTABLISHMENT OF HEAVY WATER PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the Prime Minister. I apologize for not having given him notice but I am sure he is familiar with the subject matter. In view of the favourable industrial climate created by the government of the province of Nova Scotia, is the right hon. gentleman prepared to announce now that a heavy water plant will be established in that province?

Right Hon. L. B. Pearson (Prime Minister): Urgent consideration is being given to this very important question and a decision will be announced shortly.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO APPOINTMENT OF PRESIDENT

[*Translation*]

On the orders of the day:

Mr. Robert Beaule (Quebec East): Mr. Speaker, I wish to direct a question to the Prime Minister. Since the term of office of Mr. Donald Gordon, the president of the Canadian National Railways, expires today, can the Prime Minister disclose the name of Mr. Gordon's successor?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. The term of office of Mr. Donald Gordon as a director of Canadian National Railways expired today, that is true; but under the Canadian National Railways Act a director whose term of office has expired remains a director until a successor is appointed, and he himself is eligible for reappointment. An announcement on this matter will be made in a few days.

An hon. Member: In the house?

Mr. Pearson: In the house.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): A supplementary question, Mr. Speaker. Can the Prime Minister assure the house that he will not appoint Mr. Gordon for another term of office until he has appeared before the committee on railways, air lines and shipping?

[*Text*]

Mr. Pearson: I said an announcement would be made on this matter in a few days. That is all I can say about it at the moment.

Inquiries of the Ministry

Mr. Gregoire: May I ask the Prime Minister if it is possible to wait until the president of the C.N.R. comes before the sessional committee on railroads?

Mr. Pearson: I shall be very glad to take that suggestion into consideration.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I should like to ask the Prime Minister a supplementary question. Is it true that the government intends to replace Mr. Gordon by the Minister of Justice (Mr. Chevrier)?

[*Text*]

Mr. Pearson: We do not intend to replace him by the hon. gentleman, I assure you.

HOUSING

EFFECT ON RENTS OF OLD AGE PENSION INCREASE

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): I wish to direct a question to the Minister of National Revenue. Is it true, as reported, that old age pensioners living in housing projects financed by federal money have been given assurance that their rents will not be increased when they receive the anticipated advance in their pensions?

Hon. J. R. Garland (Minister of National Revenue): I wish to thank the hon. member for having given me notice of his intention to ask this question. In view of the interest in this subject perhaps I could best answer it by saying that there are 220 National Housing Act projects in Canada lived in by over 8,000 elderly persons. In these 220 projects, because of changes in local taxes and costs of administration, rents occasionally have to be increased. As the minister responsible for housing I instructed Central Mortgage and Housing Corporation early in September to inform all limited dividend companies operating elderly persons' projects that no rental changes are to be made without the written consent of the corporation.

In addition to such projects nearly 1,000 rental units have been built in Canada for elderly persons under special agreements between the federal and provincial governments. The same sort of units are available for other low income families and in most instances the rents are geared to income. Here again I have asked Central Mortgage and Housing Corporation to recommend to our provincial partners in such schemes that there be no automatic increase in the rentals to elderly persons because of the raising of pensions. Should a rental adjustment prove necessary for any reason in such federal-provincial arrangements, I would request the

joint concurrence of the federal-provincial partners before any change is made.

It is intended that the above steps will ensure that the higher pensions, when they become effective, will not be automatically dissipated in higher rentals in any accommodation built under the provisions of the National Housing Act.

INQUIRIES OF THE MINISTRY

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Minister of National Health and Welfare. I wonder whether the minister will ensure the return of the Stanfield government by arranging to participate in the Nova Scotia provincial election?

Mr. Fred F. Stenson (Peterborough): Mr. Speaker, my question could be supplementary to that asked regarding the Canada pension bill. I should like to ask the Prime Minister whether it is his intention to replace the Minister of National Health and Welfare after his statement of last night that the government needs the support of the Ontario government to bring forward a strong pension act.

AGRICULTURE

SUPPLIES OF FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to direct my question to the Minister of Trade and Commerce.

Can the minister tell the house if the plentiful harvest in the western provinces will enable eastern farmers to buy their wheat at the same price as the Russians?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, perhaps the translation was faulty, but I do not know whether the hon. gentleman referred to wheat or corn. Did he mean corn in the generic sense or did he mean corn like maize?

[*Translation*]

Mr. Rondeau: Mr. Speaker, I shall repeat my question. I asked the minister if, in view of the fact that the wheat crop in western Canada this year is abundant, the eastern farmers would be able to buy their wheat at the same price as the Russians?

[*Text*]

Mr. Sharp: Mr. Speaker, I cannot, of course, give any assurance about the price of wheat. This is completely within the control of the Canadian wheat board. I can tell my hon. friend, however, that very special efforts are being made to assure that the needs of eastern farmers, as far as supply is concerned, will be adequately protected.

[Mr. Garland.]

TRANSPORT

RAILWAY BRANCH LINES—SUGGESTED POSTPONEMENT OF ACTION

On the orders of the day:

Mr. George Muir (Lisgar): Mr. Speaker, I had a question for the Minister of Transport but in his absence perhaps the Prime Minister would take it. Considering the valuable contribution that the branch railway lines are making in facilitating the delivery of grain as a result of the recent large sales, would the government give consideration to delaying any additional railway line abandonments until such time as a further study can be made in the light of this new development?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be very glad to discuss this matter with the Minister of Transport. I know how important it is.

POST OFFICE DEPARTMENT

INQUIRY AS TO REASONS FOR INCREASED RATES

[*Translation*]

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question for the Postmaster General.

I should like the minister to give us the reason for the substantial increase in the rate of money orders and other instruments or services provided by his department, which causes much confusion.

Hon. Azellus Denis (Postmaster General): Mr. Speaker, the increases have become necessary for various reasons and particularly because of the deficits accumulated under the previous administration; second, in order to set up the normal additional mail delivery services which were put off by the previous administration.

Mr. Martineau: Could the hon. minister tell us—

[*Text*]

Mr. Speaker: Order. I am sure hon. members will have taken note of the fact it is now nearly 4.20 p.m. This is the opening day of the resumed session. There is some very pressing and important legislation to come before the house. While it is not my desire to stop the question period, some hon. members have asked two or three questions and I am wondering whether we could not limit

questions to two or three more in the next few minutes and get on with the business before the house.

INCOME TAX

QUEBEC—REPORTED DELAY IN MAKING REFUNDS

[*Translation*]

On the orders of the day:

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, I should like to direct a question to the Minister of National Revenue.

Could the minister inform the house of the reasons for the delay in reimbursing the taxpayers from Montreal and the neighbouring areas the amount of taxes paid in excess during 1962 and, so as to make up for that delay, would the government consider paying interest on these amounts not yet reimbursed, as must do the taxpayer who is late in filing his return?

[*Text*]

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, in answer to the first part of the hon. gentleman's question may I say I will be glad to take it as notice and bring forward the answer that I am sure he sincerely desires.

BUSINESS OF THE HOUSE

PRIVILEGES AND ELECTIONS—REQUEST FOR EARLY MEETING OF COMMITTEE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to either the house leader or the chief government whip? In view of the fact that the house today, by unanimous decision, has referred a matter to the committee on privileges and elections, will one of these gentlemen see to it that a meeting of that committee is called right away so that it might deal with the matter? I realize that normally one would address this question to the chairman of the committee, but it is my understanding that the committee has not met, is not organized, and does not have a chairman.

Hon. J. W. Pickersgill (Secretary of State): I am sure that the chief whip and I will both look into the matter.

Mr. Erik Nielsen (Yukon): May I ask a supplementary question? In view of the situation which has arisen within the Social Credit party, can the house leader give some indication how he expects to resolve the problem of deciding upon the membership of the Social Credit party on that committee? Are they going to be followers of the leader of one of the splits, or followers of the other?

Mr. Pickersgill: This presents no problem whatever. The committee has already been set up by the house. Its membership is known, and until someone asks to have a change made in it, the committee will be as the house already has decided.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

[*Translation*]

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I should like to put a question to the Minister of Northern Affairs and National Resources. Could he tell the house what progress has been made with respect to the discussions regarding the possible transfer to the government of the province of Quebec of the federal government's jurisdiction over Eskimo affairs?

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): In reply to the hon. member, Mr. Speaker, I would tell him that we have had some discussions with the province of Quebec and there have been some discussions by various people with the press and with others. I expect further communications from the officers of the province of Quebec, and we will be glad to meet with them. There has been no substantial change in the relations existing with the province of Quebec or in our responsibility towards the Eskimo people.

Mr. Martineau: May I ask a supplementary question. Does the minister plan an early meeting with the minister of national resources of the province of Quebec on that subject?

Mr. Laing: I rather expect I will be hearing from him very quickly, and I will be glad to see him.

POWER

COLUMBIA RIVER—REQUEST FOR DETAILS OF DRAFT AGREEMENT

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): May I ask a question of the Prime Minister in connection with the Columbia river? What details are still to be settled? Are they major details or merely administrative?

Right Hon. L. B. Pearson (Prime Minister): There are only one or two details that remain to be settled. Whether or not one would call them major is a matter of opinion. They are important. I have no doubt this matter will be cleared up very shortly.

Mr. Pugh: Are there any changes to be made of major importance in relation to the original treaty signed with the United States?

Mr. Pearson: It is a matter of opinion whether or not they are major. There have been changes agreed upon by the two governments, and I think they are important changes. They have been agreed upon by both governments and by the government of British Columbia as well.

There is one other, I think, outstanding matter between the government of British Columbia and the United States government and we hope that will be cleared up shortly, too.

Mr. Pugh: Is there any time limit set on this now? Has the Prime Minister any word of comfort for those in British Columbia that this matter will be settled shortly?

Mr. Pearson: I will be anxious to give a word of comfort to the people of British Columbia tomorrow, Mr. Speaker.

OLD AGE SECURITY

PROVISION FOR INCREASE IN AMOUNT OF PAYMENT

On the orders of the day:

Hon. J. W. Pickersgill (Secretary of State): If we have, as I hope, concluded the questions on orders of the day I wonder, in view of the fact that no business was indicated for the house at the time we adjourned, if I could say a word about the business for today. I had hoped, and I made approaches to the representatives of hon. gentlemen opposite, that there would be consent to taking as the first item today the resolution, notice of which has been given to the Clerk, concerning the amendment to the Old Age Security Act. This would require unanimous consent, and I was not able to get an indication that there would be unanimous consent forthcoming.

However, sir, if I may I should like to point out that it is the desire of the government to have this legislation, if the house is willing to deal with it, dealt with rapidly so that the increase contemplated in the legislation may be made in the present month without having to be made retrospectively. I believe the cheques actually go out about the twentieth of the month. I believe all hon. members appreciate the difficulty of getting the parliamentary time to deal with these things. If there were any disposition on the part of hon. members to permit the hon. lady to advance the resolution to the stage where it could be debated, that is permit the house to go into committee and debate the resolution only, we would be prepared to do that.

We of course, would not ask the house to deal with the bill today. If we could dispose of the resolution, which is in very simple language, it would expedite what I believe everyone in the house is agreed, is a desirable objective.

Some hon. Members: Agreed.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I am very glad to see that the government is desirous of paying old age pensioners this additional $10 a month. It was the opposition that pointed out, over and over again, that the undertaking to do this was given during the election campaign, but when we dealt with this matter on July 18 last it was made very clear to us that the $10 increase would not be given unless the legislation covering the Canada pension plan was brought into effect.

Since then there has been a change of heart. The burning of conscience has brought about an alteration in the thinking of the government. I would point out this fact, Mr. Speaker, that we are most desirous of assuring the old age pensioners of that which they were promised and which we insist should be implemented.

I would further point out that the resolution introduced by the Minister of National Health and Welfare, as recorded at page 2340 of *Hansard* for July 18, among other things said:

> That it is expedient to introduce a measure to establish a comprehensive pension program to be known as the Canada pension plan—

Then a little later it said:

> —for the payment of an additional pension of ten dollars a month to all persons to whom a pension may be paid under the Old Age Security Act.

And so on.

It will be recalled, sir, that in order to give the house an opportunity to recommend immediate payment to the government, and in compliance with the undertaking made by various hon. members now belonging to the government, I moved an amendment, seconded by the hon. member for Perth (Mr. Monteith), as recorded at page 2363 of *Hansard* for the same date:

> That the said resolution—

—the resolution to which I have already made reference—

> —be amended by adding after the words "ten dollars a month" in line 9:
>
> "and this house asks that the government give consideration to making the payment of such additional pension to commence on this date."

The amendment was moved and the Deputy Speaker said he would have to take the question under advisement. The matter is still before the house and there has been no ruling

by the Deputy Speaker. Therefore there has been no opportunity for the house to give consideration to this amendment.

While we certainly welcome with open arms the conversion of the government to the needs of the old age pensioners, we ought to keep the proceedings of parliament regular. What about this amendment? It was not acceptable in July. The minister stated that under no circumstances could there be separation. That was before there was any question of any of the provinces refusing to participate in the plan.

Now we have a new situation, but the resolution of July is apparently forgotten about. Mr. Lesage has said he will not join in the proposition, and if newspaper reports are correct, according to one of the ministers of the government his action in that regard places him in a very unsatisfactory position, when a fund is built up, of being a follower of national socialism or nazism.

So far as Ontario is concerned, the ministers have met and they have discussed the matter. Surely then we ought to have a report on the proceedings to date. What is the present position? What has happened to the resolution that was rushed into with such a flash of arms and with such trumpet calls? The trumpet has a different sound now—an uncertain sound. Mr. Lesage has taken one blow on the trumpet and other provinces want an opportunity to do the same. What is the reason for this great change, this metamorphosis?

An hon. Member: Another retreat.

Mr. Diefenbaker: I do not want to bring anything of a political nature into this, but the hon. gentleman has a point.

Mr. Stanley Knowles (Winnipeg North Centre): On a point of order, Mr. Speaker, are we to take it from the fact that the Leader of the Opposition seems to be debating the question of an increase in the old age pensions that he has given consent to our discussing this matter today, and that we are going ahead? Otherwise under what heading or order is the Prime Minister speaking?

Some hon. Members: Hear, hear.

Mr. Knowles: We are confused today. Has he given his unanimous consent?

Mr. Diefenbaker: Mr. Speaker, the number of times I have been so designated indicates there is a hope in various parts of the house that it won't be long now. The hon. member rose, apparently with the leave of the house, to ask as to the business of the house, and I understand there has been general agreement to cover certain matters today. I feel this is a matter on which we need an explanation from the government. Why is there this change? We want to assure that by the twentieth of the month the increased pensions will go out, provided the two houses agree; but we also want to know why there has been this great change of viewpoint. What has happened? We recommended consultation with the provinces, and now the government retreats.

Right Hon. L. B. Pearson (Prime Minister): If the right hon. gentleman will participate in the giving of unanimous consent to proceed with the resolution, he will get the explanation. This will be the test of his sincerity.

Mr. Diefenbaker: Mr. Speaker, a prime minister who has taken the number of somersaults he has in the last few months, in reversal of policies, should not talk about sincerity.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I do not think this is the time to debate why the government has changed its mind. The important thing is that the government has indicated it is prepared to go ahead and present the legislation giving old age pensioners a $10 per month increase. So far as we are concerned, instead of rehashing over old straw we are prepared to give consent to proceeding with that resolution immediately, and I think the Leader of the Opposition, by drawing red herrings across the trail, is certainly not doing the old age pensioners much good, despite all his protestations of friendship for them.

We also want information about the Canada pension plan. There are a great many things we want to know, but we will not get the information on orders of the day. The thing to do is let the government bring down its resolution and then, when we go into committee of the whole, we can question the minister and get a statement from the government.

I urge all hon. members to give unanimous consent to proceeding with the resolution now so that the old age pensioners can get the increase as early as possible.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, like the hon. member for Burnaby-Coquitlam (Mr. Douglas), we feel that there is no need to deliberate very long before agreeing unanimously to study the proposed resolution to increase the old age pension. That is why, on behalf of the members of the Social Credit party, I give this unanimous approval. We agree to discuss that resolution immediately.

[*Text*]

Mr. Speaker: Is the house ready to give unanimous consent?

Some hon. Members: Agreed.

Hon. Judy V. LaMarsh (Minister of National Health and Welfare) 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 amend the Old Age Security Act to increase the pension under the said act from $65 a month to $75 a month, effective October 1, 1963, and to increase the rate of old age security tax from the present rate of 3 per cent with a maximum of $90 to a rate of 4 per cent with a maximum of $120 on the taxable income of individuals, applicable to the 1964 and subsequent taxation years.

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

Miss LaMarsh: Mr. Chairman, I am privileged today on behalf of the government to introduce a measure calling for an increase in the old age security benefit from $65 to $75 a month, effective October 1, 1963. The last such increase in the flat rate pension to our older citizens, from $55 to $65, was approved in this house 19 months ago.

You will have realized, Mr. Chairman, that the introduction of this resolution was made both necessary and urgent by recent developments respecting the Canada pension plan. It was originally the government's intention that the $10 increase in the old age security benefit be paid out of contributions to the Canada pension plan. When this house recessed two months ago, it was still our announced intention to present the necessary legislation at as early a date as possible.

Then, consequent upon the decision of the government of Quebec to forego the Canada pension plan in favour of a contributory plan of its own, it became evident to one and all that the part of the federal plan providing an increase in the flat rate pension had to be separated from the rest of the scheme. Contributions raised in provinces participating in the federal plan obviously cannot be used to provide benefits in a province from which no such contributions are forthcoming. That is the situation today and it is the aim of the subject amendment to provide the additional $10 benefit to all provinces, irrespective of the Canada pension plan.

I might mention here that section 94A of the British North America Act was designed to provide for concurrent jurisdiction in the field of old age pensions and that the future development of pension arrangements over and beyond the universal flat rate pension will depend upon mutually satisfactory arrangements being worked out. In the case of the province of Quebec there is a preference for a provincial contributory plan. The possibility of developing an earnings-related pension plan for the rest of Canada will depend upon the attitude of the other provinces and, in particular, Ontario which already has legislation on the statute books dealing with a pension plan. The federal goverment has made clear the kind of Canada-wide plan it believes would provide adequate old age income security for Canadians. The onus now rests with the other provinces as to whether we proceed with this plan.

The present pensionable age under the Old Age Security Act is 70 years. As you may be aware, Mr. Chairman, it has been the government's hope, as expressed in earlier statements made in this house respecting the Canada pension plan, to make reduced benefits available to old age pensioners who desire them on a graduated scale, between ages 65 and 70. As already announced, under the Canada pension plan these reduced benefits would apply both to the flat rate pension and to benefits under the earnings-related plan.

The question of age adjusted benefits, both with respect to graduated and flat rate pensions, is a matter which will be the subject of discussions with the provinces and, in particular, with the provinces of Quebec and Ontario with respect to their plans for pension arrangements. The government will give this aspect further consideration following these discussions and if, as we hope, the outcome of these negotiations is successful, the matter will be considered at the time the Canada pension legislation is placed before this house.

In the meantime the present pension increase will result in a substantial rise in expenditure under the Old Age Security Act on behalf of some 960,000 pensioners. At the present figure of $65 a month, the over-all expenditure for the fiscal year 1963-64 would be $750 million; for the year 1964-65, with a normal increase in the number of pensioners, the figure would be $766 million.

At the proposed rate of $75 per month, effective October 1, 1963, the expenditure for the fiscal year 1963-64 would be $807 million; for 1964-65, it would be $882 million. Now, therefore, the difference for the year 1964-65 between expenditures at the present rate and at the proposed rate of $75 per month would be $116 million. This raises a question as to the source of the additional revenue for this increased expenditure. You will be hearing more about this a little later from my colleague, from the Department of Finance.

This present measure is, Mr. Chairman, a solid step in the right direction, but the government sincerely hopes that the Canada pension plan will be introduced before too long to provide adequately for the retirement of our older people. I am confident that this present amendment will be followed by further measures which will in fact provide that

added cushion of security and dignity so richly deserved by our senior citizens.

Mr. Diefenbaker: Mr. Chairman, the hon. member for Perth will be discussing this matter in particular, but I would like to ask the hon. lady if she would read the resolution about which she has been speaking. We would like to know what the resolution is, because we have not seen it. Would the hon. lady let us have the resolution?

The Chairman: Perhaps I should read the resolution for the benefit of the committee:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the pension under the said act from $65 a month to $75 a month, effective October 1, 1963, and to increase the rate of old age security tax from the present rate of 3 per cent with a maximum of $90 to a rate of 4 per cent with a maximum of $120 on the taxable income of individuals, applicable to the 1964 and subsequent taxation years.

Mr. Monteith: Mr. Chairman, I must admit that I did not know this matter would be introduced so soon after the reconvening of the house, but I am certainly very pleased that it has. I still fail to understand why the amendment suggested by the Prime Minister on July 18 was not followed through.

Mr. Pearson: Mr. Chairman, I did not suggest any amendment on that date.

Mr. Monteith: I am sorry; I think this is the first time I have made that mistake. I am following the example of the hon. member for Winnipeg North Centre. First of all, Mr. Chairman, I would like to have a copy of the resolution. It does not appear on the order paper to my knowledge, and I think we should have a copy of it before us. This is certainly indicative of the changing, retreating and jumping about from pillar to post of the opposition.

Some hon. Members: Oh, oh.

Mr. Monteith: I am simply looking forward to the day when my previous comment holds forth. The amendment as proposed to the previous resolution on July 18 by the Leader of the Opposition says this:

That the said resolution be amended by adding after the words "ten dollars a month" in line 9: "and this house asks that the government give consideration to making the payment of such additional pension to commence on this date."

If that advice had been taken, Mr. Chairman, the elderly citizens of our country would have had this $10 a month earlier than they are going to get it now, despite the fact that the minister presently says that she does not want any hold up, that she wants to get on with it. This is certainly a different type of approach, a very humble approach today, compared with her speech on July 18. At that time she went into much detail ridiculing the opposition for their efforts in social security, which over the years have certainly been much more beneficial to the senior citizens than those of the present government.

Now, Mr. Chairman, I want to review one or two things the previous government did in its short term of office, a period of five and a half to six years. In that time the old age security and related benefits were increased by $19 a month. This was done in two stages. The government of that day had no sooner taken office than it proposed an increase of $9 a month, which was one of the most pleasant duties I had to perform as minister of national health and welfare. This proposal was acceded to by the house, unanimously I believe. The previous government did that following the almost abortive attempt in the previous spring to do something for the elderly citizens. At that time the then minister of finance proposed an increase of $6 a month. We knew what that meant. We knew how inadequate it was. We appreciated the fact that the elderly citizens should have had more than this. As a consequence, when we came into office we immediately proposed this $9 increase. This was in November 1957 and it became effective that month. Then in the spring of 1962, effective I believe on February 1, there was a further increase in old age security of $10 a month which the previous government felt was necessary at the time.

We are also very much in favour of this increase, as exemplified by the amendment of the Leader of the Opposition on July 18. I think that this proves that our party, the previous government, has had the welfare of the elder citizens uppermost in mind and has certainly done everything possible to relieve the hardship which these people suffer.

During my term of office, Mr. Chairman, I had many meetings with the elder citizen groups. I know the present minister has undoubtedly had similar meetings also. I came to believe, however, that the country as a whole does not appreciate the real plight of many of these people in the circumstances under which they live. I feel that the present suggestion is not only necessary but is delayed. This could have been achieved and could have been effective as of last August 1 at the latest, if the present government had only listened to the suggestion put forward by the Leader of the Opposition at that time.

Instead of that the present minister was imbued with political venom. In fact, she reminded me of the Minister of Finance in his budget speech debate; they were two of a kind. The Minister of Finance had to make some retreats following that, and it is obvious what has happened in this case. The present Minister of National Health and Welfare has had to make a retreat. Perhaps she has seen

the light; I hope it is for that reason. I was not in the house at the moment but I understand she indicated that the change in this respect was because of the attitude of the province of Quebec. During recent efforts in the province of Ontario she did not indicate that this might be the reason for her change, quite so much as she was trying to indicate, I think, that the present government of Ontario might be wholly responsible for this change in attitude. I have seen flip-flaps and that sort of thing in the past, Mr. Chairman, but I do not know when I have seen two more striking examples than the Minister of Finance in his budget speech and the present Minister of National Health and Welfare when she introduced the original resolution on July 18.

May I call it five o'clock, Mr. Chairman?

The Chairman: Order. It being five o'clock it is my duty to leave the chair in order for the house to proceed with private members' business pursuant to section 3 of standing order 15.

Mr. Deputy Speaker: It being five o'clock the house will now proceed with the consideration of private members' business as listed on today's order paper, namely notices of motion.

TRANS-CANADA HIGHWAY

SUGGESTED AMENDMENT TO COMPLETE CONSTRUCTION IN ATLANTIC PROVINCES

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, in view of the announcement made by the Prime Minister (Mr. Pearson) regarding this matter, may I have the permission of the house to withdraw this motion?

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

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

TRANSPORTATION

SUGGESTED APPOINTMENT OF ROYAL COMMISSION

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I am wondering if I could ask the house leader on the government side if he would oblige and stand the notice of motion standing in the name of my hon. friend from Saint John-Albert (Mr. Bell), and also that in the name of my hon. friend from Oxford (Mr. Nesbitt)?

Mr. MacNaught: Agreed.

Mr. Deputy Speaker: Is it agreed that motions 13 and 14 stand at the request of the government?

[Mr. Monteith.]

Mr. MacNaught: And No. 15.

Mr. Deputy Speaker: Numbers 13 to 15?

Mr. Pickersgill: Numbers 13, 14 and 15.

Motions stand.

CANADIAN WHEAT BOARD

MOTION RESPECTING TRANSFER OF JURISDICTION

Mr. Jack McIntosh (Swift Current-Maple Creek) moved:

That, in the opinion of this house, the interest of the western grain producers and their marketing agency should be under the jurisdiction of the minister responsible for agricultural policies which have a direct effect upon the economic welfare of the western grain producer; and that it is a retrograde step to place the Canadian wheat board—which has, in addition to its original role, the administration of cash advances, acreage payments, the issuing of permit books, and the quota allocation—under the Minister of Trade and Commerce who has no responsibility for domestic policies of direct interest of the western grain producers.

He said: Before I say what I have to say with regard to this resolution I should like to express my regret that neither the Minister of Trade and Commerce (Mr. Sharp) nor the Minister of Agriculture (Mr. Hays) is present in the house.

Mr. Pigeon: The parliamentary secretary knows the problem very well.

Mr. McIntosh: I should like to have told the Minister of Trade and Commerce that all westerners and all members of this party, in my opinion, are pleased with the large grain sale to Russia. However, this does not preclude us from asking questions about the deal. I am sorry the Minister of Trade and Commerce cannot take any credit for this sale. I am sorry his party cannot take any credit for it either.

Some hon. Members: Oh.

Mr. McIntosh: Well, they have said on previous occasions that neither the minister nor the department has any responsibility for wheat sales. We do not believe that to be the case, but since it was the hon. members opposite who made that statement they cannot very well contradict what they have told the public on previous occasions—or can they? We would, I am sure, be pleased to have the minister tell this house and the Canadian public in general exactly how these wheat sales are made. There can be no doubt that the Canadian wheat board is under the sole control of the government and that it is the only marketing agency for wheat produced in western Canada. As westerners, we have been amazed at times at the interpretation which the people of eastern Canada have placed on the transactions of the Canadian wheat board. They do not seem to realize that it is the

sole marketing agency for our grain. I was surprised to hear comments which indicated that even some members of this house thought that every time an initial payment was paid to western producers it came out of the Canadian treasury. Such an impression is entirely wrong. Under the marketing system through which western Canadian grain is sold, that payment represents the farmers' own money.

In trying to get some information with regard to the actions of the Canadian wheat board I have looked up a number of editorials which have appeared in eastern as well as western papers. I should like to read parts of these editorials—I do not intend to read them all—in order to illustrate my contention. I shall refer first of all to an editorial which appeared in the Calgary *Herald* on April 24, 1963, right after the general election. This editorial is headed: "New Wheat Board Management" and it says:

> The federal department of agriculture over which Hon. Harry Hays of Calgary is to preside as minister will differ in two major respects from its Conservative counterpart.

The article goes on to discuss the changes briefly—I shall not read it all—and then it says:

> The wisdom of these two Liberal changes will be determined by the future course of events. At the outset they appear to be good ones.
>
> When the retired minister of agriculture, Alvin Hamilton, had the wheat board operations transferred to his jurisdiction in 1960, complaints were rife that the trade department had not been devoting sufficient effort to wheat sales abroad. It was alleged that time and effort which should have been going into wheat disposal were being devoted to consultations and arguments between the wheat board and the trade department on policy and procedure.
>
> Certainly, after Mr. Hamilton took the wheat board under his wing there was a speedy revitalization of wheat sales. Credit agreements were negotiated abroad and, along with a fortuitously light Canadian crop in 1961 and a famine in China, sales zoomed and surpluses declined.

Actually, when we were selected the majority of Conservative members from the west had one major problem. As grain politicians we were careful; we did not make too many promises to the western people. But one promise I made was this: I undertook to do all I could to help the Canadian government solve the problem of surplus grain. At the time I made the promise I was not too much concerned about which party would form the government. As I hope to show in a few moments, I criticized our own party, which formed the government at that time, for its attitude with regard to the Canadian wheat board. As I have indicated, along with others I made the promise that we would try to solve this surplus grain problem. Today, in the light of political statements which have been made by ministers and others, people are still confused as to who does actually make these sales. This confusion has existed for some time. I am not sure whether the former minister said he made the sales or not. I do know that the opposition definitely said he did not. But somebody did make these sales, and all I have to say today to whoever was responsible is that this sale of wheat to Russia has done Canada a lot of good.

The editorial from which I have been reading goes on to say:

> But if previous sales efforts had been less than successful, the blame largely could be laid at the door of the trade department which was concerned with trying to push industrial and commercial sales to the neglect of agricultural products.
>
> Under the new leadership of Hon. Mitchell Sharp however, the Department of Trade and Commerce is not likely to make the same mistake.

I question that statement, and I do so in the light of the previous record of the Canadian wheat board at a time when Canada was losing sales on the world market. The present Minister of Trade and Commerce was then the deputy minister responsible for the department, and unless he has changed his ways with respect to western agriculture and sales of western grain we shall revert to placing this board under the direction of the Department of Trade and Commerce which, I say, would be a retrograde step.

In order to show hon. members what the thinking of eastern people is with regard to western farmers I should like to refer to an editorial which appeared in the Toronto *Globe and Mail* dated August 13, 1963. I presume this paper could be considered as being a supporter of the Conservative party, while the other paper to which I have referred, the *Calgary Herald*, could be considered a supporter of the Liberal party. I do not know for certain but I imagine from the comments made that this would be correct. The article in the *Globe and Mail* was written by Scott Young, who apparently had been out west. He was writing about western Conservatives and about the wheat situation out there. He referred to a feeling that the Diefenbaker government had demonstrated an understanding of the west's problems, and said:

> As long as he leads the Conservatives no other party is going to make five cents worth of progress out here.

I think that is correct. Referring to the promise made by the Prime Minister (Mr. Pearson) regarding $2 a bushel for wheat, the article says:

> The nonsensical quality of the promise was strongly demonstrated by the trade minister's rather petulant suggestion that westerners should grow less wheat.

I do not think the minister denies that he went out west and told the farmers union, in Edmonton, I think it was: Do not grow more wheat, because we cannot sell what you are already producing. This Russian sale makes that statement sound somewhat ridiculous. I have contended all along as a representative from western Canada that whoever is responsible for selling wheat, whether it be the grain board or the Department of Agriculture or the Department of Trade and Commerce, is doing so as an agency of the government itself. Selling wheat is a government responsibility, and if it cannot sell it the western people must be told so.

Now I shall read from what is, I presume, a Liberal paper. This seems to reflect the attitude of a number of eastern people. Commenting in the Kingston *Whig-Standard* on Mr. Young's article, the writer says:

> But, quite apart from politics, this business of wheat in the west is obviously something concerning which Mr. Young has let the farmers out there talk him into a daze. The western wheat farmer has no interest in what kind of a market he has for his wheat; all he cares about is selling it at as high a price as possible. It is, he thinks, his God given right and destiny to grow and sell wheat—this is the heart of the western mythology. ...They don't want to work any harder than that and they betray no hesitation in saying so.

That is absolutely ridiculous. If this is the opinion that the government or the Liberal party has of western wheat producers, it will be a long, long time before they will have sufficient members from the prairies to appoint a minister of agriculture from that region. They were quite fortunate last time.

Mr. Horner (Acadia): I don't know that they were.

Mr. McIntosh: I also want to refer to another eastern paper which I think has an actual grasp of what the situation is in the west. This is the story that I am quite sure western Canada wants to put across to eastern Canada, because it is true, and if anybody wants to take the time to delve into the subject he will find it is so. I wish to refer to the Sudbury *Daily Standard* of June 20, 1963. The article is headed, "Farmers Fear New Policies Will Damage Export Markets", and it reads in part as follows:

> Revelation that the Pearson government in Ottawa hired "outside" experts to assist in the preparation of the budget should not be surprising. Informed Canadians know that there is sometimes little relation between Liberal election propaganda and performance.
>
> The most recent election campaign was no exception. This was the party of "experts" in the matter of economics; this was the party with the men of ideas "to get the economy rolling". But once in office the Liberals hired experts "outside" of government and the civil service.
>
> Nor is this delusion on Liberal know-how confined to matters of finance. One section of the farm press that came out strongly in support of the Liberal party and urged a change in government is now having second thoughts, and nearly all published letters written by farmers disagree with the Liberal policies. It is now a matter of record that the farm vote in Canada was almost solidly in support of the Diefenbaker government.
>
> It may be remembered that Liberal government dairy policies were made known only 36 hours before the May 1 deadline and decisions on policy changes made only some 50 hours after agriculture minister Harry Hays and agriculture minister-to-be Rene Tremblay took their oaths of office.
>
> The farm press has been taking a long, hard look at these policies which indicate greater dairy surpluses, lower exports, higher prices to consumers and reduced income for dairy farmers. It is feared there will be serious export loss in British and European markets. The Liberals, who favour more trade with the United States, cannot look for markets for farm products in that country. It is already plagued with stockpiled surpluses.
>
> It will also be remembered that in its first days of office the Liberal government returned the Canadian wheat board to the Department of Trade and Commerce.
>
> This is significant? It could be. The Diefenbaker government put the board under the Department of Agriculture and export wheat sales soared. By mid-May, under the Liberals, export wheat sales were already down by 30 million bushels from the same time last year. There seems to be little likelihood that the Liberal government will be able to match the Diefenbaker government's record in wheat exports.

That would have been correct had it not been for the one sale to Russia. I will prove later with figures that under the Liberal administration, whether they were the ones who sold wheat or whether the wheat board under their direction sold wheat, Canada was gradually losing all her foreign markets for wheat. The article goes on to say:

> Canadian wheat farmers also have long memories They can recall a previous Liberal administration that lost Canadian wheat sales by trying to collect another five cents a bushel from prospective European customers. It was a Liberal administration that tried to unload Canadian wheat at $1.50 a bushel when the world market price was $3. a bushel.

I think that is sufficient information from the press to convey to the house that the issue is a very confusing one, and the government by its action of putting the wheat board back under the Department of Trade and Commerce has confused the issue more. When the wheat board was under the Department of Trade and Commerce at the time that the present minister was deputy minister the policies were also confused.

I have mentioned before that I was very critical of our party in this regard. I refer to page 7693 of *Hansard* for August 6, 1960, at which time I said:

> As the government has complete control of the marketing of wheat on the prairies, then it is the responsibility of the government to see that markets are obtained or tell the producers they are unable to do the job.

I also said at that time:

I have reason to believe that the present wheat board policy in determining its daily selling price for Canadian wheat offerings to domestic and foreign buyers is too rigid, and that as a result of this inflexibility we have lost foreign sales which should have been available to our western producers. I am aware that those who do not agree with my remarks will charge that I am trying to interfere with the orderly system of marketing western grain. I hasten to say that if such a system solves or will solve the problem of the western grain surplus, then I will support it wholeheartedly.

In talking about the western grain surplus I may say that there are other problems created because there is a surplus. There is the problem of cash advances on farm stored grain. There is the problem of quotas. There is the problem of the allocation of box cars. I am quite sure that the present Minister of Trade and Commerce has some knowledge of what these problems are, particularly with regard to cash advances on farm stored grain, because I understand that under the Liberal administration he was one of those who said it could not be done. It was one of the first things that was done under the Conservative administration when they took office in 1957. I continue:

On the other hand, if the present orderly system of marketing works to the disadvantage of the western grain producers whom I represent, then I suggest that some of the conditions in this system should be changed.

I am not advocating that the orderly system of marketing should be discarded. I believe I am offering evidence that proves that the way it is functioning at the present time can lead to only one result, the loss of further grain markets for our producers. It is essential that we avoid this downward pattern.

To show what the downward trend was we did a lot of research at that time. On that occasion I said, as found on page 7692 of *Hansard* for August 6, 1960:

I would draw your attention, Mr. Chairman, to the grain trade year book, which indicates that in some foreign markets Canada's grain sales were reduced by a considerable amount during the grain year 1958-59 from those of the previous grain year.

I went on to say:

I have also before me a table which shows that during the past year Russia exported 40 million bushels of wheat to western European countries, and many of these countries were former customers of Canada. It is to be noted that Canadian wheat sales to the Netherlands dropped from 21 million bushels in 1957-58 to 7 million bushels in 1958-59. That is an actual decline of 14 million bushels in one year in sales to one of our most valuable customers.

I should say that at that time under a Conservative administration the wheat board was also under the Department of Trade and Commerce and it was later that the decision was made to transfer it to the Department of Agriculture. I went on to say:

During that same period, 1958-59, Russia sold to the Netherlands almost 10 million bushels of wheat. ...It is also to be noted that Sweden purchased over 2 million bushels of wheat from Russia during 1958-59—

And so it goes on and on. If you wish to pursue the matter further you will see that in practically every country with which we had been dealing we were losing out as far as the export of Canadian grain was concerned, and Russia was gaining on us. What we seemed to lose the Russians apparently were taking over. This not only applied to all European countries but also to the United Kingdom. Our research also proved that we were losing out in the case of the United Kingdom. It also proved that world demand had increased from 660 million bushels, prior to the war, to 1,220 million bushels. In fact, the demand for wheat was growing constantly but Canadian exports to world markets were declining. Whose fault was that? Was that the fault of the government or was it the fault of the Canadian wheat board? I am not too sure that we have the answer. I will say this, that after similar speeches were made in this house when action was taken to transfer the Canadian wheat board from the Department of Trade and Commerce to the Department of Agriculture, something happened. Markets for Canadian grain became available. I am quite sure Canadian producers do not care who was responsible or who gets credit for that. The grain was sold.

As I mentioned before, we solved the problem of surplus grain and the problems related to surplus grain such as storage, quotas, box car allocations, cash advances and everything else. It is for this reason I say a retrograde step was taken in transferring the wheat board back to—

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

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): Since the motion was introduced in English, I think it would be appropriate for me to give the first half of my speech in English. As we understand it, the present question is not a question of philosophy, of political, economic or administrative theory, it is a question of efficiency. The question is: Can the Department of Trade and Commerce sell wheat more effectively than the Department of Agriculture? The opposition, of course, takes the negative view.

In my opinion, the question is one of common sense, so I will proceed in a common sense manner. I should like to preface my remarks with three notes. The first is this: The question is not one related to the growing

of wheat but to the sale of it. We understand that the growing of wheat is the business of the farmers, and the Department of Agriculture can advise them on this matter. However, the question is about the sale of wheat, the trade in wheat, and of course we believe this matter should come under the Department of Trade and Commerce.

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Pepin: I am really rather rushed because I understand the parliamentary secretary to the Minister of Agriculture wishes to say a few words. Perhaps I could answer later.

My second point is this: It is private enterprise and the wheat board that sells wheat for Canada. A moment ago the previous speaker was asking about the policy of the department and of the minister in respect of government intervention. On that subject the minister said this in a speech on September 23:

> I am sure that you would wish the government to recognize the wheat board and its chief officer in this way. The Canadian wheat board is given responsibility by parliament for marketing western wheat, oats and barley and it is important that this responsibility should not be usurped by any minister of the crown.

This is quite clear.

> The government does have a responsibility in the marketing of western grain and that is to support the wheat board and to create the conditions under which the board can sell wheat, oats and barley to best advantage.

Referring to the sale to communist China, the minister went on to say that the government's role was to improve the terms of access for Chinese goods, and to underwrite the extension of credit, both of which were essential to the successful outcome. This is the function of the government, and this is the function of the Department of Trade and Commerce, to help the wheat board in selling wheat. We Liberals do recognize the importance of the wheat board. We also recognize the importance of God in connection with these sales. There is no doubt about it—an act of God can be negative or positive—without an act of God these sales might not have taken place, no matter how good our sales department is. This attitude, I believe, is quite clear. I think you will find it very difficult to find any other than the one I am expressing now.

Mr. McIntosh: Why didn't you sell wheat before?

Mr. Pepin: My third point is that the wheat board has always been under the Department of Trade and Commerce. The present arrangement is not new.

[Mr. Pepin.]

Mr. McIntosh: Not always.

Mr. Pepin: The present situation is the regular one. The only exception was during the period 1960-1963 when the wheat board was placed under the supervision of the hon. member for Qu'Appelle (Mr. Hamilton).

Mr. McIntosh: When was it formed?

Mr. Pepin: I should like now to state my three main arguments in favour of the present arrangement. The first one is related to history, and it goes like this. In the past, Canada has sold as much wheat when the wheat board was under the Department of Trade and Commerce as it has when the wheat board was under the Department of Agriculture, with the exception of the sales to China, and in some years with the inclusion of the sales to China. As you know, the previous record sale of wheat was in 1952-1953 when 385 million bushels were sold. I might say that at that time the present Minister of Trade and Commerce (Mr. Sharp) was the deputy minister of that department.

Mr. McIntosh: What is your authority for those figures?

Some hon. Members: Order.

Mr. Pepin: I should like to add to what I just said, that at the present time, under trade and commerce, the wheat board is selling more than it was under agriculture at any time from 1960 to April 1963. There is then no question of efficiency. The wheat board does as well, if not better, under trade and commerce now as it did under agriculture at the time that department was headed by the hon. member for Qu'Appelle.

My second point is that wheat cannot be treated as something entirely apart from general trade. You cannot isolate the trade in wheat from the general preoccupation of the government in respect of trade. Negotiations in relation to world trade are not divided into compartments. For example, in the GATT negotiations the preoccupation for agricultural products cannot be isolated. The over-all picture must be kept in mind by Canadian representatives.

[*Translation*]

The press communiqué released before the last meeting of GATT stated as follows:

> The agenda is the following:
> 1. Measures to expand trade of countries under development.
> 2. Arrangements to lower or eliminate tariff barriers.
> 3. Measures giving farm products and other primary materials a better access to the markets.

It can be seen that in GATT negotiations, the farm problem is not separated from other trade problems.

As you know, Mr. Speaker, Canada experiences great difficulties in the field of trade and we must at all cost put all advantages on our side. The authorities representing us in such large international negotiations must be able to make arrangements on the widest possible basis. And surely, Canada cannot isolate the wheat trade from the general trade.

Mr. Speaker, I also wish to call to the attention of the house the fact that the Department of Trade and Commerce has an excellent team of trade commissioners who are acting as scouts in every country of the world. Besides, the commercial equipment of the Department of Trade and Commerce is by far better than the one to be found in the Department of Agriculture. That is common sense.

My third point concerns the distribution of tasks between the government departments. Well, only a few weeks ago, the members of the opposition were accusing the government of having taken away from the Department of Trade and Commerce part of its authority to hand it over to the Department of Industry. And those same gentlemen who were then complaining that we were draining authority from the Department of Trade and Commerce now come here and ask that we take away from the Department of Trade and Commerce some of its authority over the Canadian wheat board. Is this consistent? They are again contradicting each other. This is not the first time and it is certainly not the last.

Mr. Speaker, I want to add this. My friends in the agriculture department say they already have lots of work, indeed enough to keep busy and the administration is even prepared to appoint a second minister of agriculture because of the volume of work in that department.

Mr. Pigeon: Both of them are on a trip.

Mr. Dupuis: Homing pigeons exist you know.

Mr. Habel: Where do you come from?

Mr. Pepin: Mr. Speaker, I shall continue my remarks.

Besides, the fact that the Department of Agriculture has quite enough work and civil servants there are extremely busy is confirmed by the former minister of agriculture. In fact, the hon. member for Qu'Appelle (Mr. Hamilton), during his last days in office, was complaining that he had not had any time to adequately deal with agriculture in the east.

I am not making that statement, I am only repeating what the former minister of agriculture used to say:

[*Text*]

The Minister of Agriculture has admitted that Canadian farm policy is prairie oriented. A rational farm policy would require disproportionately greater attention to the maritimes and the province of Quebec.

This is taken from the *Macdonald Farm Journal.*

Mr. McIntosh: What date was that?

Mr. Pepin: May 1963. Yours was August, I think.

I have another clipping from the Ottawa *Citizen* of May 8, 1962:

Mr. Hamilton told the Progressive Conservative nomination meeting western farmers could expect the government to pay more attention to eastern Canadian farmers. Many farmers in low income brackets were in the east and "in the next four years much of my time is going to be spent in those regions."

So, after three years in the department, the then minister admitted he had been too busy to be concerned adequately with eastern agriculture, and I quote this in order to prove that there is plenty of work in that department.

Mr. McIntosh: That is your interpretation.

[*Translation*]

Mr. Pepin: Moreover, other press clippings which I do not have time to read are quite clear on that point.

[*Text*]

Mr. McIntosh: What date was that?

[*Translation*]

Mr. Pepin: Mr. Speaker, in closing, I wish to submit another point of plain common sense.

The hon. gentlemen opposite must not think that just because the Canadian wheat board has been transferred from the Department of Agriculture to that of trade and commerce—I beg your pardon, has returned to the Department of Trade and Commerce—that means all contacts will cease between the two concerning wheat. On the contrary, relations between them are growing closer and closer. In fact, just a few days ago, both the Minister of Agriculture (Mr. Hays) and the Minister of Trade and Commerce (Mr. Sharp) publicly set forth the first components of a new policy, in short, of an adequate agricultural policy for eastern Canada as regards feed grains.

[*Text*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would first like to congratulate the hon. member for Swift Current-Maple Creek (Mr. McIntosh) for moving his motion today so that it would give hon. members an opportunity to discuss some of the pros and cons respecting sales of Canadian wheat during the last few years.

We know there has been an attempt, successful to some extent, to sell the idea to Canadian wheat farmers that they were immeasurably better off in terms of activity and efforts to sell their wheat when the Canadian wheat board was under the administration of the Department of Agriculture.

I do not believe any hon. member would deny that there was one single success of a size so large that it overshadowed many other sales during the period when the board came under the Department of Agriculture. But the next question which must be asked is whether those who wish the board transferred back to that department also want to give the department the responsibility for the great droughts in China and Canada in recent years? I do not think that is a valid argument, and I do not believe even those members of the Conservative party who support this motion would like to assume that responsibility.

The hon. member for Drummond-Arthabaska (Mr. Pepin) has mentioned that there are many other things which must be considered in addition to agricultural policy. For example all hon. members will agree that the last three very large wheat sales were directly tied to some credit arrangements and might not have been completed had it not been for the existence of these arrangements. I suggest that these credit arrangements can be handled just as successfully by the Department of Trade and Commerce and its minister as by the Minister of Agriculture. I am also sure it will be agreed that such a kind of agreement must be reached by the entire cabinet, and that there is no significant difference whether the Minister of Agriculture or the Minister of Trade and Commerce makes recommendations to the cabinet.

There are other trading arrangements involved in the sale of wheat. These were referred to by the hon. member who spoke just before me, and I have a whole stack of editorials and statements which I have gathered throughout the years, and which indicate without doubt that the leading grain spokesmen—if one wants to call them that—have over the years tried to convince the government that there is a direct relationship between trading policies respecting other commodities and the promotion of sales with regard to wheat.

For example I have before me a letter which appeared on the editorial page of the Winnipeg *Free Press* and which was sent to the former prime minister, Mr. Diefenbaker, by Mr. W. J. Parker, president of Manitoba pool elevators, on behalf of the Alberta, Saskatchewan and Manitoba wheat pools and United Grain Growers Limited. I shall only read a few paragraphs from this letter to prove that what I have said is correct:

[Mr. Olson.]

> In concurrence with and on behalf of the United Grain Growers Lmiited, Alberta wheat pool, Saskatchewan wheat pool and Manitoba pool elevators, I desire to acquaint you with a matter which is causing grave concern among the combined membership of these producer organizations.
>
> Doubtless you are aware that Japan has of recent years become our second largest market for wheat, and from time to time an important market for Canadian barley and oilseeds. It is the considered opinion of those in a position to judge that Japan will in the not too distant future become the largest market for Canadian wheat, provided Canada pursues a trade policy designed to encourage the purchase by Japan of cereals from us.

The letter concludes by saying:

> I assure you, Mr. Prime Minister, that the farmers our organizations represent would appreciate assurance from you that the government is not attempting to reduce Japanese participation in the Canadian market in 1960 below the level obtaining in 1959 for any commodity, and that it remains the policy of your government year by year to increase each and every quota on Japanese imports, with a view to their eventual removal.

He mentioned earlier the problem of allowing customers for wheat to sell sufficient of their own products in Canada in order to earn Canadian dollars to pay for our wheat. This has been going on for so long that it is almost repetitious to mention it at this time. One reason advanced is that if we have the Department of Trade and Commerce directly involved in the selling of Canadian wheat we would also receive a more sympathetic response from them in advocating import quota increases, and so on, which would allow our customers to sell their goods in Canada to earn the dollars that are necessary. There are other matters, which were raised by the hon. member who spoke previously such as GATT and various other negotiations that are necessary. Surely, Mr. Speaker, no hon. member of this house will argue that all these integrated matters are primarily the responsibility of the Department of Trade and Commerce.

There is one other point. I refer to the matter of financing. I dealt with this subject briefly a few minutes ago. I have some quotations of what has been said by the previous minister of agriculture, now the hon. member for Qu'Appelle (Mr. Hamilton), who stated that it was becoming increasingly difficult to get approval from his colleagues in the Conservative government for the credit necessary to finance some of these large scale sales. For example, in *The Western Producer* of November 15, 1962 there is this quotation:

> Mr. Hamilton's speech reflected growing pressure against credit sales from eastern Canadians and those who do not understand the problems of the farmers.

Mr. Horner (Acadia): Like the Social Credit party.

Mr. Olson: If we agree that credit was essential to make the major sales the last few years, I think it is important that this question should also receive some sympathy in the cabinet. This was admitted by the previous minister of agriculture. In this way credit sales can be promoted.

The mover of the motion says, amongst other things, that it is a retrograde step to place the Canadian wheat board—which has, in addition to its original role, the administration of cash advances, acreage payments, the issuing of permit books, and the quota allocation—under the Minister of Trade and Commerce. Taking each one of these items separately, I think we should consider whether there was any distinct advantage in transferring this board to the Department of Agriculture. I might say, Mr. Speaker, that some ministers of agriculture even before the hon. member for Qu'Appelle stated that the Canadian wheat board was not under the direct direction, if you want to call it that, of any department; that they in fact pursued the policy of selling wheat almost independently of the government.

Then there is the matter of the administration of cash advances. In 1957, prior to placing the wheat board under the control of the Minister of Agriculture, I know of no difficulty that the board had in administering cash advances.

Mr. McIntosh: They did not have any.

Mr. Olson: I do not think they are having any now. I cannot see that this is a matter of any great significance.

Mr. McIntosh: You had better study it.

Mr. Olson: With regard to acreage payments, I think they will be using the same staff, the same cheque-writing machinery and the same officers in regard to this particular function as have been used since the transfer of the board to the Department of Agriculture. There may be some kind of argument as to whether or not the present government and its cabinet is going to authorize acreage payments at all. But whether they are administered by the Department of Trade and Commerce or the Department of Agriculture presents no significant difference that I can see.

With regard to the issuing of permit books, this was done by the Canadian wheat board for about 18 years prior to its being taken over by the Department of Agriculture. I know of no significant problems experienced by them during those 18 years which would change for the better if this function were under the jurisdiction of the Department of Agriculture.

Mr. McIntosh: We will tell you more about that later on.

Mr. Olson: Then, Mr. Speaker, we come to the question of quota allocation.

Mr. Horner (Acadia): Are you for or against credit sales?

Mr. Olson: Quota allocation is something that comes about after taking several factors into consideration. One is the matter of having sold a certain grade of wheat and the requirements of the Canadian wheat board to get it into export position. For example—and this has happened on a number of occasions —they have sold a large quantity of No. 5 or No. 4 wheat and if there was a shipping point that had frost, or there was some other reason, and there was a large quantity of this kind of wheat and a sale was made, there was an effort on the part of the Canadian wheat board to move as much of that wheat as quickly as possible into export positions so that it could be delivered. Perhaps this comes under the Department of Transport to some extent, and I think the Minister of Trade and Commerce (Mr. Sharp) has just as free access to the Department of Transport as has the Minister of Agriculture. I can therefore see no significant improvement in this regard.

By and large, Mr. Speaker, I have to agree with the mover of the motion, the hon. member for Swift Current-Maple Creek (Mr. McIntosh) and the hon. member for Drummond-Arthabaska (Mr. Pepin) when they suggest that these administrative details are not of major concern. The major concern is to generate and enhance our over-all trading position in the international market so that we have more customers. We have to make some arrangements to take in some of the products of these other countries, and this is not easy. I know that even today there is some discontent in the textile industry. They are a little apprehensive that some of the sales made to China and Russia may have included an agreement, whether signed or not, which will mean there will be a flood of textiles into Canada to pay for some of this wheat. This is a matter of justifiable concern, but I am not convinced that the Minister of Agriculture could handle this problem any better than the Minister of Trade and Commerce. As a matter of fact I think all these integrated things could be better handled by a department that is totally concerned with trade and commerce.

The last thing I wish to say, Mr. Speaker, is that perhaps the Minister of Finance (Mr. Gordon) also has something to contribute to the over-all sale of Canadian wheat in the international market. We know, for example,

that a number of suggestions have been put forward to the effect that we should accept some so-called soft currencies for Canadian wheat. We have heard that the United States, in competing in the international market, have in fact accepted local currencies and have left those currencies in the countries to be used in the form of foreign aid. If we are going to try to compete with the United States on this basis, I suggest the Department of Finance will also have a very large say in the matter.

In conclusion, Mr. Speaker, I can see no great advantage in adopting this motion and I can in fact see some disadvantages, one of which would be perhaps losing a little of the position we might have within the cabinet in having both the Minister of Agriculture and the Minister of Trade and Commerce responsible for advancing the welfare of agriculture through increased wheat sales.

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to speak to this motion I see my time is limited. I should like to say a few things in support of the motion. Basically the crux of the problem is whether or not western Canada and the wheat board, the jurisdiction of which lies solely in western Canada, is represented by a western or an eastern minister. History will bear me out that over the years the minister of agriculture has always been a western member, although that may not be the case in the future. Therefore, I think the first point is that he should have a closer contact with the area within which the jurisdiction of the wheat board lies—western Canada, and western Canada alone.

We have heard the record of the pros and cons of the two boards as they operated under the two departments in years gone by. The hon. member for Drummond-Arthabaska (Mr. Pepin) knew very little about what he was saying, because he compared sales of wheat and said that under a former government the wheat board sold as much wheat as they did in the last few years under the very able direction of the hon. member for Qu'Appelle (Mr. Hamilton). Now, what is the case? In previous years the wheat board sold about 2 per cent of Canada's wheat under a former minister of agriculture and the Department of Agriculture. Under the direction of the hon. member for Qu'Appelle we sold by direct agreement up to 35 per cent of Canada's wheat. There is the difference between the two types of administration so far as the wheat board is concerned.

We have heard some talk about the various ministers. We westerners, and we western farmers in particular, know the record of the Minister of Trade and Commerce (Mr. Sharp) with regard to the wheat board. What did he say about cash advances? He said they were not necessary and could not be administered, that they would ruin the wheat board. What did the Right Hon. C. D. Howe say about wheat sales when he was minister of trade and commerce? He said if they want to buy wheat let them come and get it. That was the attitude of the then government and the then deputy minister of trade and commerce.

What did the hon. member for Qu'Appelle do for the wheat board? He convinced the cabinet that Canadian wheat should be sold on credit. That is a principle that has been established and is continued today by the present government: they are selling wheat on credit. This was never done before. Western farm delegations came to Ottawa during past years and asked the government to sell their wheat, to give credit. We amended the Export Credits Insurance Act to make possible the first sale of wheat to China. This new principle has been accepted and the Export Credits Insurance Act was the vehicle, you might say, by which the Russian sale was made possible.

It is very important to western Canada that the wheat board have control to a great extent of the economy of the farmers generally. And what do the farmers want? I have here an editorial which I should like to read. It says:

> According to the national farmers' union, the government is wrong on two points of agricultural policy.

They are referring to the present government.

> It should not appoint a second minister of agriculture to deal with the farm problems of eastern Canada.

Apparently the government has realized that and done away with the idea.

> The wheat board, which sells all wheat, should not have been transferred from the Department of Agriculture to the Department of Trade and Commerce.

That is what the national farmers' union said about the action taken by the present government.

We have heard a lot of talk about the Russian and Chinese wheat agreements. Two basic principles were accepted and I hope will continue to be accepted, no matter which party forms the government. These principles were sales on credit and the acceptance of sterling. They are two important points which never before had been accepted by any minister of trade and commerce, and would not likely have been accepted today were it not for a hard-working and aggressive minister of agriculture who had the foresight to ask the cabinet to transfer the wheat board to his jurisdiction.

I must congratulate the hon. member for Swift Current-Maple Creek (Mr. McIntosh) for bringing forward this motion. He, along with other western members, convinced the government that wheat should be sold on credit if necessary; that if wheat were sold it would lift the burden off the backs of the western farmers generally. I am sure hon. members from western Canada will bear out that statement; it has lifted a tremendous burden from the backs of farmers generally in western Canada.

We have heard a lot of talk about the recept China wheat sale. The hon. member for Drummond-Arthabaska referred to the part God had played. I am sure they are thankful for the part that somebody played because it came as a complete bombshell and surprise to them. I say that because the Minister of Trade and Commerce said, according to page 2562 of *Hansard*, during the question period for that day:

> I say to the hon. member who has just interrupted, I do not think it helped greatly when the former minister suggested the farmers should grow all the wheat they could, and that he would sell it for them.

That is what he suggested to the farmers during the election. He did not suggest $2 a bushel for wheat as they suggested—a promise they knew could not be kept when they suggested it. The former minister said grow the wheat. He said we have now achieved credit sales and are accepting sterling. He was confident that through the continuation of his efforts and the efforts of the wheat board sales could be made and markets found. This house owes—certainly the western farmers owe—a great deal of appreciation for his hard work on their behalf. It is not like the present Minister of Trade and Commerce who travels out to western Canada even after a large wheat sale and tells the farmer not to grow any more wheat, to reduce their acreage because he cannot sell it. The Minister of Agriculture (Mr. Hays), like little Sir Echo, travels along with him and says: "Don't grow any more wheat; we can't sell it". What kind of attitude is this? The province of Saskatchewan is now considered the bread basket of the world. It is the only part of the world in which surplus wheat sales have been made possible through aggressive technological changes which the farmers have been ready to adopt in order to grow wheat and, in order to meet competition and the cost price squeeze they find themselves in today. Certainly—

[*Translation*]

Mr. Deputy Speaker: Order. The hour appointed for the consideration of private members' business having expired, the house shall return to the business put aside at five o'clock.

[*Text*]

OLD AGE SECURITY

PROVISION FOR INCREASE IN AMOUNT OF PAYMENT

The house resumed consideration in committee of the following resolution—Miss LaMarsh—Mr. Lamoureux in the chair:

> That it is expedient to introduce a measure to amend the Old Age Security Act to increase the pension under the said act from $65 a month to $75 a month, effective October 1, 1963, and to increase the rate of old age security tax from the present rate of 3 per cent with a maximum of $90 to a rate of 4 per cent with a maximum of $120 on the taxable income of individuals, applicable to the 1964 and subsequent taxation years.

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Monteith: When the committee rose at five o'clock I had been indicating that in my opinion and in the opinion of this party the resolution which is now before the house represents a complete flip-flop as opposed to the resolution which was presented originally on July 18. We all remember how the Liberal party claimed in successive months that it had all the answers. All I can say is: what answers? They have been searching around here and there. I have never seen such bungling. It has been a complete about-face and now hon. gentlemen opposite are running for cover.

The minister said on July 18:

> Unfortunately, however, in recent years some of the increases in payments made under this legislation have been based not upon increase in productivity, not upon progress of the economy, but only upon pure political expediency. This can no longer be countenanced.

I have never seen such an example of political expediency as this particular move. Further, I would say that the whole matter has been ill prepared. We did not even have a copy of the resolution at the time this subject came up for discussion. Rightly or wrongly, it appeared to me that there was only one copy available and it seems that the rules, not to mention house etiquette, should provide for more.

I suggest we look at the resolution itself. It includes provision for raising the rate of old

age security tax from 3 per cent, with a maximum of $90, to 4 per cent with a maximum of $120 on the taxable income of individuals. I wonder whether or not this includes an increase in corporation income taxes. There is no mention of an increase from 3 to 4 per cent in the sales tax. Is this included? We all know that the present formula is a three-three-three formula which sets out what money should go into the fund from each source. I believe this resolution is ambiguous. It contains the phrase "applicable to 1964 and subsequent years" but we do not know what is covered. I feel the whole thing has been very hurriedly constructed, as have many of the efforts of the present government in the past. I do not say the law officers of the crown were not consulted but, if they were, I suggest their advice was not accepted. I know that the resolution which was provided in 1957 and 1962 with regard to a similar increase under this and related acts contained nothing concerning the financing of those proposals; that was considered to be a matter for the Department of Finance.

I am sorry I was not in the house this afternoon when the minister spoke. I may have missed what was said at the time, but I do not recall, among what I did hear, any mention of the related acts dealing with old age assistance, blindness and disability allowances. When the former government presented resolutions on these matters embodying an increase of $9 in November, 1957 and $10 in February, 1962, we came to this house prepared. The resolutions were placed on the table of the house in the proper manner and action was taken in accordance with the correct legislative procedure. I think we have been asked once again to buy a pig in a poke to pull this government out of a hole. I should like to know when these related acts are likely to be amended. I suggest this government should get its feet on the ground and find out where it is going. Those planners over there certainly lack any sense of planning in this case, though they are noted as being planners. In that speech on July 18, the minister made what appeared to me and, I think, to the public as a whole, to be some terribly biased political and partisan statements.

Miss LaMarsh: Who, me?

Mr. Monteith: For one thing, she indicated that practically nothing had been done by the previous government while it was in power. I should like to recall just a few of the things which that government did in the space of some five and a half years. First, I would point out that we acted with promptness immediately after our election promises had been made. The second piece of legislation dealt with in the fall session of 1957 had to do with the increase in old age security benefits. Effective November 1, 1957, we increased old age security payments by $9 and increases were made under related acts such as those dealing with old age assistance, blindness and other disability allowances. We reduced the residence requirement from 20 years to ten years. Allowable earnings were increased. Early in 1958, in this field of social welfare, we removed the threshold of 45 per cent of provincial population under which the government could give unemployment assistance. We increased the rate from 40 per cent to 50 per cent by which we participated at that time. In those days there were only four or five provinces in the scheme. Subsequent to our amendment, all the provinces in Canada came into the arrangement. Early in 1958 we doubled hospital construction grants, increased nurses' accommodation grants, chronic hospital bed grants and added internes' accommodation and major alterations and renovations. Early in 1958 we amended the clause whereby a majority of the provinces representing a majority of the population had to have legislation on their books before there could be any hospital insurance in force in Canada. We brought in an amendment and by July 1, 1958, five provinces in Canada had hospital insurance and the citizens of Canada in those provinces were receiving the benefits of it. Subsequently all 10 provinces and the two territories joined in the scheme.

In 1960 we made it possible for the people of Canada to enjoy benefits while out of the country by allowing absences from Canada which had not been hitherto enjoyed. In the fall of 1961 we brought in the fitness and amateur sport program. In the spring of 1962 we amended the national health and welfare act to set up a national council on welfare. We introduced national welfare grants starting at $500,000 with increases of $500,000 a year to a maximum of $2,500,000. In February of 1962 we increased old age security payments by another $10 and also all related acts and, of course, there was a consequent increase in allowable earnings.

To me, sir, this represents a tremendous expansion in social security services in Canada. I should like to refer to some figures. In 1956-57, the last year of the Liberal government prior to the present one, health and welfare grants totalled $881 million. In 1962-63 they were $1.9 billion or an increase of 115 per cent. Health and welfare payments to provinces increased from $75 million in 1956-57 to $527 million in 1962-63, or an increase of 603 per cent. Health and welfare payments to individuals increased in the same period from $815 million to $1.4 billion,

or an increase of 72 per cent. If you will look at the books of estimates for the years 1956-57 and 1963-64 you will see that the total increase in health and welfare estimates is from $881 million to $1.959 billion, or 122 per cent.

Over a period of time the minister has tried to indicate that the efforts of the former government left something to be desired. I beg to point out that no government in the history of Canada has ever increased its social security payments to the people of Canada, or its social security measures, by as great an amount over a similar period.

I had the honour of bringing in the increase in old age security in the autumn of 1957 and I should like to point out the actual timetable of the discussions in that session. We brought it in in the proper legislative manner. Four resolutions were put on the order paper, one having to do with old age security, another with old age assistance, another with blindness allowances and the last one with disabled persons allowances. On Thursday, October 24, we discussed the first resolution on old age security. We further discussed it on Friday, October 25 and again on Thursday, October 31. On Friday, November 1, the first resolution was completed after four days of discussion. On Friday, November 1, the old age assistance resolution was completed as were the blindness allowance resolution, and in part the disabled persons allowance resolution. On Monday, November 4, the disabled persons resolution was completed. On November 4 also, second and third readings were given to the old age security bill. The others were given second and third readings on the Tuesday following.

The Secretary of State mentioned today that there was a timetable with regard to this matter. We appreciate this. We do not wish to hold up any measures affecting the elder citizens of Canada. But I would point out the number of days it took at that time to discuss the resolutions and the bills and I would remind him of the fact that the payments still were made to the people of Canada as of the 1st of November.

In 1962 we were faced with a somewhat similar position. On Monday, February 5, the old age security resolution was agreed to and the old age assistance resolution was discussed. On Tuesday, February 6, the old age security bill received second reading. On Wednesday, February 7, the old age security bill received third reading and the old age assistance resolution was passed, as was the blindness allowances resolution. On Thursday, February 8, the disabled persons allowances resolution was discussed and again on Friday, February 9. On Friday, February 9, second and third readings were given to the old age assistance bill and the blindness allowances bill while the disabled persons allowances bill received second reading only. It was postponed until Monday, February 12, at the behest of a member of the opposition of that day, at which time it was then given third reading.

This only points up that the plea of the Secretary of State today for fast passage of this legislation in order to try to help them out of a predicament into which they themselves walked is, I think, beyond comprehension. I should like to emphasize as strongly as I can that the increase now proposed would have been in the hands of our senior citizens by last August at the latest if the government had listened to the amendment proposed by the Leader of the Opposition on July 18. I should also like to emphasize that no ruling has yet been made on that amendment. I suggest that the government should accept it. Why not accept that amendment? If the government accepted it the same end would be achieved and our senior citizens would receive their just increase from that date. This party tried to get that increase through the house. The government has boobed again. It has bungled. It has procrastinated with the elder citizens. It is now playing politics with what should be rightfully theirs.

Mr. Patterson: Mr. Chairman, we are very happy to have placed before us so soon after the reconvening of the session the resolution preceding the amending bill to increase the pensions of our senior citizens. There are many factors involved that require detailed study and analysis, but I do not think there is anyone who will disagree with the contention that this increase is past due. Our senior citizens have been waiting, I might say very patiently, for consideration of their needs. As I have indicated, we are very happy that we have this resolution before us at this time.

I feel there are a number of reasons why consideration must be given to the matter at this time. We are all aware of the fact that the cost of living is continuing to increase. This is placing our senior citizens, as well as others in the low income brackets, in a very difficult position. As they are endeavouring to face the increased cost of living and live on a decent standard, they are finding it almost impossible, if not impossible, on the present allowance of $65 per month.

I think there is another consideration, and it is this. Our senior citizens are observing a rising standard of living of a great many of their fellow Canadians. Although they recognize the assistance that has been given them in the past, yet they have a legitimate feeling that their income as well ought to be increased to take care of the situation and

to help them enjoy some of the benefits that other citizens of Canada are enjoying now.

We have all had representations made to us concerning this particular matter. We have had letters from individual senior citizens or from senior citizens' organizations across the country pointing out the position in which these people find themselves now. Some of the provinces have recognized this need and are now providing supplementary benefits in order to assist our senior citizens in meeting the increased cost of living. In my own province of British Columbia, these people are receiving as much as $24 per month and this is of very real assistance in meeting the challenge before them today. May I say, Mr. Chairman, that not only our senior citizens but a great many people in other categories are facing similar problems. We hope that in the very near future the government will see fit to introduce legislation to assist these people who are facing serious economic conditions. I refer to the war veterans, the superannuated civil servants and different groups who are just barely getting by on pensions that were set some years ago.

It has been suggested that in the past this question has been made a political football, and unfortunately that has been so. Auction sale tactics have been used for political advantage in trying to gain the support of our senior citizens. I believe the time has come when we must take a sane and responsible attitude towards the necessity for making adequate provision for these people advanced in years. We are fully conscious of the fact that in a nation such as ours we are well able to provide adequately for those who, in building up this nation, have been unable to make provision for their declining years. I believe that today the responsibility is pressing, is urgent, and therefore we are very happy that this measure has been introduced at this time.

The method of financing, however, is open to question. We do not believe that an increase in taxation is necessary or desirable.

Mr. Woolliams: How would you finance it?

Mr. Patterson: We believe that the revenues coming into the federal treasury are sufficient if consideration were given to proper methods of financing and proper attention were given to monetary policies in relation to Canadian requirements. Therefore, while we would support without hesitation the proposal to increase this pension to $75, we would suggest that careful consideration be given to the matter of financing. If the government is convinced that additional taxation is required, then we would say that only sufficient additional revenue should be obtained or additional taxation levied to cover the actual cost of administration in connection with this particular situation. Many times we find that instead of just sufficient revenue being collected to take care of additional expenditures, there is additional revenue required for something and this additional revenue is obtained under these various measures. Therefore, Mr. Chairman, we are not going to take any more time discussing this matter at the resolution stage. We are looking forward to the introduction of the measure, and various members of the group will be taking part in the discussion and making constructive criticism in relation thereto.

Mr. Knowles: Mr. Chairman, on behalf of this party I wish to indicate our pleasure that this proposal is before the house, namely to increase to $75 per month the pension paid under the Old Age Security Act. I should like also to indicate our pleasure that at least a beginning is being made in connection with this legislation on this first day that the house has met since the recess. I want to make it clear that I do not need a crying towel to assist me in expressing my pleasure that this proposal is now before the committee. I do not see any point in belabouring the fact that the government has changed its mind or gone through a flip-flop or what have you. The plain fact of the matter is that starting last July 18 opposition members in this house, and I think we were supported by the members on the government side as well, began to urge the government not to delay this $10 increase. We urged in every way we could that it be brought in at the earliest possible date.

Now the government has done this, and that is good. They have had a change of heart or whatever you may call it, and we welcome the fact that there is to be no further delay in making this increase in the pension paid under the Old Age Security Act. I hope we need not have any more time spent in berating the government for having done precisely what the house as a whole wanted it to do.

Mr. Churchill: Will the hon. member permit a question?

Mr. Knowles: Gladly.

Mr. Churchill: How much time does he want to spend in praising the government?

Mr. Knowles: Perhaps if the hon. member gets an opportunity to speak in this debate he will explain that question, because the meaning of it escapes me completely.

I may say, Mr. Chairman, that we do wish the government would reconsider the effective date of this increase. The minister has indicated, and the resolution indicates also, that the effective date is to be October 1. This means, of course, that the $10 increase, if this legislation goes through in time, will be in

the cheques received by our old age security pensioners at the end of October. It is still our belief that this increase ought to be made retroactive at least to April of this year. I make that suggestion having in mind the fact that certain other increases that were provided in this chamber a short time ago were made retroactive to April, and indeed some other increases for civil servants and so on, were made retroactive to last October. I think the least we can do for our old age pensioners is to make this $10 increase retroactive to April of this year. I hope that somewhere along the line, while this legislation is before us, the government will consider making this change in the proposal that has been presented.

We agree that if we are going to ask and receive an increase in old age pensions we have to face up to the matter of paying for it, but we are puzzled as to why the government has proposed an increase in personal income tax of a full percentage point and has not made any suggestion about increasing the corporation tax. We also wonder if consideration has not been given to raising the ceiling on the amount that is paid under the Income Tax Act so far as old age security is concerned. We feel the rate might well have been left at 3 per cent, that the $90 ceiling could have been raised, and a percentage point added to the corporation tax. A method of that sort would be a fairer way of raising the money, rather than imposing a straight percentage point across the board on income tax.

We should have more details about this matter. Perhaps the Minister of National Health and Welfare will give us these details as we go along; but even so, I do not want undue time to be taken up because my concern is that this piece of legislation be put through so that the pensions can be adjusted and so that our old people can get this increase as soon as possible.

The main change which I think should be made in the legislation now before us relates to the effective date, and we in this party believe it ought to be made retroactive to April of this year.

I would also point out that it is recognized by all of us that this is just one step that is being taken with respect to improving the position of our old age pensioners, and we recognize that this step is being taken because the government was persuaded to change its mind during the so-called summer recess. That is the reason it was not on the order paper. The hon. member for Perth knows that, and he does not have to make such fuss because it was not on the order paper. On the night of August 2 the government had no intention of proceeding with this increase. Motions for today's order paper had to be in that day; but the government changed its mind in the meantime and so it was not technically possible to have it on the order paper. Today, however, we gave unanimous consent to proceed with it, and having done so we should not complain about the resolution not being on the order paper.

The whole question of the eligible age for receiving old age pensions is one with which we must grapple and to which we must find an answer. We in this party feel that the pension, as of right, must be available at age 65. We would like to see the Old Age Security Act amended to provide that the pension payable under it be payable at age 65, but we are not going to hold up this measure for that purpose. In the meantime I would go so far as to say that we welcome the statement made by the minister to the effect that consideration will be given, when the Canada pension plan is brought before the house, enacting legislation making it possible for people to take their old age security pension at an earlier age on a reduced basis.

Instead of our talking about 70 being the normal age, it should be the other way around. The normal age for people getting a pension as of right should be 65, and if people want to continue working past that age they should have the right to do so. Also if they want to delay taking their pension they should be able to receive a greater amount at a later age.

One of the real gaps in our present set-up is this five year period between the ages of 65 and 70. Retirement generally seems to be around 65 years of age. This is normal in industry and many other kinds of employment; but here the pension is put off until 70. During that five year period our people are in the wilderness and do not have what Canadians generally feel should be theirs as of right. Therefore I hope the consideration of this matter, which was implied in what the minister said this afternoon, will be speeded up as quickly as possible.

This leads me to say that I hope there will be the least possible delay in bringing forward the Canada pension plan in whatever revised form it will now have to be presented to us. Since the $10 increase in the old age security pension will no longer be an item in that plan, it seems to me this would involve a change in the computations, either a change in the amounts to be charged or a change in the amount of the pension. It will certainly call for a revision of that actuarial document which the minister provided a few days ago; and if one province is to stay out of the national plan, this too will call for certain changes in it. But, whatever changes are necessary, we urge the minister and the

government to bring this matter before the house as soon as possible. Delay in placing before the house a proper pension plan, such as a joint arrangement of a flat rate pension and a contributory pension, could cost many years in providing the people of Canada with a desirable piece of social legislation.

In regard to this matter I want to make a plea directly to the minister. I urge her to get the chip off her shoulder as to where the opposition stands to a proper pension plan. She seems to think the opposition to adequate pensions lies with the other parties across the floor from her. She does not seem to know we want an adequate pension plan as much as she does. In fact there is more opposition to it from the people who are sitting behind her. By mistake I almost said the people sitting beside her, and maybe it was not a mistake after all.

I also suggest that she get the chip off her shoulder with regard to the province of Ontario. I am one of the last people in the house to defend the Tory government of Ontario, but I would say to the minister that a little wooing of the Ontario government in this field might be a little more effective than the sledge hammer tactics she has employed thus far. Indeed a little wooing of Quebec would be in order too.

The minister should realize that if there is opposition to this kind of pension plan, which she and the rest of us want, it does not come from those of us who are elected on a platform in favour of it. The opposition lies with the insurance companies, and she should realize she can get support from all sides of the house. In fact I think she can get support from the governments of Ontario and Quebec if she drops the political chip off her shoulder and if she realizes that, in the name of the people of Canada, all of us in this house should be working for a proper pension plan for all our people.

There has been talk about the timetable in getting this legislation through. By all means let us do it as quickly as we can, but it is also important to get the other legislation through at this session. If the kind of delays, which the Kilgours and some others are seeking, were permitted we would not get the Canada pension plan through this session, and if our outside opponents win it will be another session before we can have it. In the meantime a time will come when we will need another increase in the flat rate, and this will put off the day when we can get an old age security plan with both the flat rate and the contributory pension.

When we talk about pensions we are not talking about just enough money for people unable to provide for themselves in their old age. We are talking about a social philosophy and real security for our older people.

We in this house are here as members of political parties. When we left on August 2 we were members of four political parties. Now we are members of five political parties. I do not expect, and in fact I would not want, politics to be removed from the House of Commons. Politics is the life of this house. It is out of the cut and thrust of debate and out of the cut and thrust of conflicting ideas that we are able to make progress. But if ever there was an area in which we should try to work together, I suggest it is in this field of providing adequate security for our older people.

The hon. member for Perth indulged in a little recent history. If he wants history we could tell him what happened 35 or 37 years ago when Mr. J. S. Woodsworth, the former member for Winnipeg North Centre, was here. We could speak of the early years of this century and recount the efforts made by trade unions to the governments of those days to get started on old age pensions. Having started, having the idea of pensions accepted, having the idea of universal pensions accepted, we now want adequate pensions provided, which can only be provided under the auspices of government and not private companies making their profit out of it. We have this principle accepted; let us work toward achieving this end.

The Minister of National Health and Welfare should make up her mind to seek our co-operation. She will get it from this side of the house. We congratulate her because she was not quite as political in her speech today as she usually is. I think she must have found it painful to make that moderate, objective statement. I see the minister nodding her head. This kind of pain is good for her, and if she will just stay with that kind of approach we will make good headway. I say again, Mr. Chairman, that we welcome this $10 increase and we are glad to be dealing with it on this first day of parliament following the recess. We hope this measure can be approved in very short order so that our people may receive this additional money in their cheques this month; and we hope the government will give consideration to making the date retroactive to last April.

Mr. Kindt: Mr. Chairman, as has been said by each of the previous speakers, there is no question but that all hon. members of this house are in favour of the payment of an additional $10 a month to our senior citizens. I do not think anyone will take issue with that particular objective. But issue is taken, and rightfully so, with the methods used by the present government to bring about this increase.

Before entering into that particular phase of the matter I should like to say that in the hurried plan that has been put before us we are not told whether any consideration has been given to a differential payment. The method proposed, apparently, is following the same pattern that prevailed in the past, namely paying the same amount to everyone whether or not it is needed. I am not saying that is not the right way to do it, because I know it is extremely difficult to enter into a qualitative discussion or make a determination as to who should have more and who should not. It therefore becomes a question of raising enough money to pay everyone the $10 increase.

With regard to the question of the effective date of the commencement of this, it has already been said by one speaker, and I agree, that the date should be effective from April 8 last; the payment should be retroactive to that date. With regard to the period for raising the funds, I note that in the last paragraph of the statement which has been put into our hands there is a mention of a postponement in the collection of funds to meet this additional $10 payment, and it is to be applicable to 1964 and subsequent taxation years. In other words the Minister of National Health and Welfare and the present government intend to borrow money to meet this obligation, rather than raise it immediately out of taxes. They realize that if they wait until the 1964 income tax year, when we are filling out our income tax returns for that year it is quite possible we may have a different government, and they will leave on the door-step of that government the problem of raising this additional money in the form of taxes.

An hon. Member: Wishful thinking.

Mr. Kindt: My hon. friends across the way smile, and I can quite understand why they do so. But why was this trick played at this time, when the government is asking us to approve and is placing before the House of Commons a measure proposing to postpone for a year the collection of funds to meet the additional payment. They are borrowing the money in order to make it appear they are doing something which they have been forced into, and they are simply choosing that plan which is most expedient to get out from under. These are clumsy, inept and bungling tactics on the part of the Minister of National Health and Welfare, who in her arrogance is looking for an opening to blame somebody else instead of coming out and saying, "We promised it during the last election campaign to win votes and now we are sorry and have to go through with it".

That is the situation placed before us this evening. I for one intend to vote for the resolution, as I think most hon. members will. But there are some things about it which I do not like. I have already stressed that the tactics which have been used and a lot of the circumstances leading up to this measure being introduced are certainly not commendable to or to the credit of the present government.

Mr. Benson: Mr. Chairman, I was most pleased to hear the hon. member for Macleod arguing just now for retroactive taxation in order to finance the increase in the old age security pension. This would not be acceptable to those on this side.

In the resolution which is before the committee the government, I believe, has taken a responsible position in saying that the proposed $10 increase in old age security must be financed by additional revenue. With the indulgence of the committee I should like briefly to outline the history of the old age security tax and the results of the government proposal to increase the contribution from personal income to the old age security fund in order to finance this well deserved increase in benefits to our senior citizens.

When the Old Age Security Act was passed in November, 1951 to provide pensions of $40 per month commencing January 1, 1952, the act provided for old age security taxes consisting of, first, a tax of 2 per cent on sales of goods subject to the general sales tax. This applied to all sales on and after January 1, 1952. Second, a tax of 2 per cent on the taxable income of corporations became effective January 1, 1952. Finally, a tax of 2 per cent on the taxable income of individuals, with a maximum tax of $60, was imposed. This tax was at the rate of 1 per cent, with a maximum of $30 for the 1952 taxation year.

In the budget of April 9, 1959 the then minister of finance announced that the old 2-2-2 formula of old age security taxes would be increased to a 3-3-3 formula. First of all the tax on sales was increased to 3 per cent with effect from April 10, 1959. Second, the tax on taxable income of corporations was increased to 3 per cent effective January 1, 1959. Finally, the tax on taxable income of individuals was increased to 3 per cent, with a maximum of $90, to take effect on July 1, 1959.

Although the taxes imposed to raise revenues for the old age security fund had been referred to as the 2-2-2 formula, and more recently as the 3-3-3 formula, the amount derived from each of the three taxes has been far from equal.

The sales tax has provided by far the largest proportion, with the tax on individuals next and the tax on corporations producing the smallest portion. This I can illustrate in a table which, with the permission of the

committee, I should like to have inserted in *Hansard*. May I have this permission, Mr. Chairman?

The Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows.*]

Revenue from O.A.S. taxes in dollars

Year	Sales	Individuals	Corporations	Total
	(millions of dollars)			
1956-57	179.3	125	67.3	371.6
1958-59	173.6	146.4	55.3	375.3
1960-61	270.2	229.4	103.5	603.1
1961-62	284.9	259.0	100.1	664.0
1962-63	302.2	273.6	115.3	691.1

Proportion of O.A.S. tax revenue from each tax

Year	Sales	Individuals	Corporations
	%	%	%
1956-57	48.3	33.6	18.1
1958-59	46.3	39.0	14.7
1960-61	44.8	39.0	17.2
1961-62	42.9	39	15.1
1962-63	43.7	39.6	16.7

Mr. Benson: This table shows that going back to 1956-57, the old age security portion of the sales tax yielded $179.3 million, the tax on individuals yielded $125 million, and the corporation tax $67.3 million, for a total of $371.6 million. This increased each year until in 1962-63, which is our last completed fiscal year, the sales tax contributed towards the old age security fund $302.2 million, the tax on income of individuals $273.6 million, and finally the corporation income tax yielded $115.3 million, for a total of $691.1 million. If one looks at this on a percentage basis he would find that in 1956-57 the sales tax was yielding 48.3 per cent of the total contribution to the old age security fund, the individuals income tax 33.6 per cent, and the corporation income tax 18.1 per cent. Moving on to 1962-63 one would find that the sales tax yielded 43.7 per cent of the total contributions to the old age security fund, the individuals income tax 39.6 per cent and the corporation income tax 16.7 per cent.

The withdrawal of sales tax exemptions for building materials and production machinery announced in June 1963 will increase the old age security tax revenue from the sales tax by approximately $90 million a year commencing in April 1965. The rate of tax on corporations in Canada, including the old age security tax and provincial income taxes, now is 52 per cent in Ontario and Quebec, 51 per cent in Manitoba and Saskatchewan and 50 per cent in the remainder of Canada. The government considered it inadvisable to increase these rates at this time. One will find when the Canada pension plan is passed, as I am sure it ultimately will be by this house, that the employers will have to make additional contributions based on payrolls to the Canada pension plan, and this will largely affect corporations.

It was thus considered that an increase in social benefits to be financed on a pay as you go basis should most appropriately be paid for by contributions by individuals. The increase in tax for each individual is not large; in fact the increases per year for those with smaller incomes is quite small. This is shown in a table which, with the permission of the committee, I would like to insert in *Hansard*.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

Effect of increase in the rate of old age security tax on personal income from 3 per cent (maximum $90) to 4 per cent (maximum $120).

Single taxpayer—no dependant

Income	Standard income tax*	O.A.S. tax (present rate)	O.A.S. tax (new rate)	Increase in tax
	$	$	$	$
$1,000	—	—	—	—
$1,500	—	12	16	4
$2,000	99	27	36	9
$2,500	166	43	56	14
$3,000	236	57	76	19
$4,000	403	87	116	29
$4,100	420	90	120	30

Married taxpayer—no dependant

Income	Standard income tax*	O.A.S. tax (present rate)	O.A.S. tax (new rate)	Increase in tax
	$	$	$	$
$2,000	—	—	—	—
$2,500	44	12	16	4
$3,000	99	27	36	9
$3,500	166	42	56	14
$4,000	236	57	76	19
$5,000	403	87	116	29
$5,100	420	90	120	30

Married taxpayer—2 dependants eligible for family allowances

Income	Standard income tax*	O.A.S. tax (present rate)	O.A.S. tax (new rate)	Increase in tax
	$	$	$	$
$2,500	—	—	—	—
$3,000	33	9	12	3
$3,500	88	24	32	8
$4,000	152	39	52	13
$5,000	301	69	92	23
$5,700	420	90	120	30

*Before abatement for provincial tax.

Note: It is assumed that all taxpayers claim $100 standard deduction.

Mr. Benson: This table shows that for a single taxpayer who has an income of $1,500 per annum and takes the standard exemption, including the $100 exemption for donations, medical expenses and union dues, the old age security tax would increase his tax by $4 per annum, and the maximum contribution of $30 per annum would not be reached until he had an income of $4,100 per annum. So that the new tax would involve a maximum contribution of $30 per annum for a single person when that person reached an income level of $4,100. For married persons with no dependants, it would mean that there would be no contribution at a level of income of $2,000 per annum or less. At the level of $2,500 per annum the contribution required from individuals who are married and have no children is $4 per annum and the maximum contribution of $30 is not made by a married person until he reaches an income of $5,100 per annum. Similarly, if a person is married and has two dependants one would find that at an income level of $3,000 per annum his required contribution to the fund under the additional 1 per cent tax would only amount to $3, and the maximum contribution of such married person with two children amounting to $30 would not be reached until he earned $5,700.

The position of the old age security fund in recent years and up to March 31 of this year, the end of the last fiscal year, is shown on page 97 of the appendix to *Hansard* of June 13, in the budget papers. This indicates that at the end of last year there was a temporary loan from the Minister of Finance outstanding of some $41 million to make good the deficiency in the fund as of that time. The Minister of Finance stated that on the basis of the outlook and tax structure before the budget, the old age security fund would incur a further deficit of $25 million during the current fiscal year as reported on page 1008 of *Hansard* at the bottom left hand side of the page. The removal of the exemptions from the sales tax were expected to add $45 million to the income of the fund in the current fiscal year, but this portion of the increase in the sales tax, payable into the old age security fund, was later deferred until 1965. The current expectation is that the taxes presently in effect, payable into the old age security fund, will yield $729 million this year, and the pensions before the increase of $10 that is being proposed will cost $750 million, leaving a deficit for the current fiscal year of $21 million. The $10 a month increase in the pensions will add $57 million to the amounts payable out of the fund, increasing the total to $807 million, and the increase of one per cent proposed in the contribution based on personal incomes will add $13 million to the revenues of the fund during the current fiscal year. This will leave the total fund with a deficit of some $65 million for the current year; that is, 1963-64.

It is expected that the additional 1 per cent contribution based on personal incomes which is proposed will yield approximately $100 million in a full fiscal year at current income levels. It is not feasible to put this increased contribution into effect forthwith, but only from January 1. For this reason the amount actually collected and credited to our accounts in the current fiscal year is relatively small. Nevertheless, the additional revenue being secured for the fund is roughly comparable with the additional $116 million being added to expenditures by the increase in the pension rate.

When one considers the situation in the next fiscal year it is of course less easy to make forecasts at this stage because of the greater difficulty of anticipating the levels of income at that time. Moreover, there will still be some lag in collections even in that year, owing to the delay in receipt of final payments of the taxes payable on 1964 incomes. For that year, therefore, we expect that this additional 1 per cent contribution will yield some $93 million that will compare with the additional cost of the $10 increase of approximately $116 million. On the other hand, we would anticipate some growth in the yield from the present taxes which would have produced a modest surplus of revenue over the pension payments during 1964-65. This increase in revenue would include a small amount from the application of the sales tax on building materials and machinery commencing in January, 1965. As a result, I would expect that the $93 million additional revenue which I have forecast from this additional 1 per cent contribution will, roughly, bring the old age security account into balance for the next fiscal year, that is, the 1964-65 fiscal

year; the old age security fund, based on the increase of $10 which is being paid currently and the contributions from now to the end of the 1964-65 fiscal year will be brought into balance for that year.

Looking beyond that, I would expect there would be sufficient revenue available to make good relatively soon the deficit incurred in the current fiscal year. Thus, if the old age security payments were continued at $75 a month commencing at age 70 I would forecast some annual surplus in the fund each year beyond 1965. However, when the Canada pension plan is approved by parliament and benefits under the Old Age Security Act are paid at earlier ages, as is anticipated under the plan, the calculations which I have indicated will have to be adjusted accordingly.

Mr. Kindt: In view of the fact that this plan is not to come into effect until 1964 as far as taxation is concerned, this would mean that April 30, 1965 would be approximately the date of the first revenue received from many taxpayers. If these payments start on October 1, an interval of one year and seven months would elapse before substantial additional funds came in or, in other words, approximately $175 million would be paid out while little or no revenue was coming in. Does the minister agree with that statement?

Mr. Benson: I must tell the hon. member for Macleod that I disagree wholeheartedly with him. Individuals in Canada pay taxes quarterly, or by monthly payroll deductions, so one can quickly estimate revenue from personal income tax, and the first monthly payments for 1964 will be received in February 1964 while the first quarterly payments for the 1964 calendar year will be received on March 31. Thus we shall get the $13 million I have estimated in that period. Also, at the end of 1964, we shall have received approximately the whole of the amount payable during the 1964-65 calendar year, or at least the majority will have been received by December 31. I think that if the hon. member will read the figures I have outlined as they will appear in *Hansard* tomorrow his question will be answered.

Mr. Churchill: Does the parliamentary secretary consider that the resolution as it appears before us is correct inasmuch as it includes the method by which money will be raised for the purpose of the earlier part of the resolution? Should the second part of the resolution not be brought forward as an amendment to the Income Tax Act.

Miss LaMarsh: Perhaps I might answer that question. On the last two occasions when there was an increase in both the level of taxation and in payments out it was done, I understand, in one bill.

[*Translation*]

Mr. Gregoire: Mr. Chairman, at the outset, it should be pointed out that we have no intention of delaying the present debate and that we cannot but be in favour of this increase in the pension for the aged in Canada or at least for those who have reached the age of 70 and who will receive it starting this month.

However, since there already exists a rather direct relationship with another pension scheme to be introduced later, I feel a few comments are in order concerning the two plans which are to be put forward this year.

First, we wish to ask the Minister of National Health and Welfare (Miss LaMarsh) to try and obtain the details of the new provincial contributory and portable pension plan for which a bill will be introduced at the next session of the Quebec legislature and to make them available to this house before the debate begins on this contributory and portable pension plan.

If a provincial government introduces a bill along that line, while the federal government introduces one also, the members of this house and those of the province concerned should be allowed to choose between the two pension plans.

It should not be believed that the electors in a province have necessarily made their minds up on that matter, Mr. Chairman. On the contrary, I believe that the citizens of the province of Quebec, as well as we in this house, must wait until they know all about those two schemes in order to be in a position to pick out that which will seem the most appropriate.

Of course, at first sight, we prefer the contributory and portable provincial pension plan because we want to protect the provincial autonomy which we respect. The leader of the government said last night on television, during a special program, that the provinces needed revenue to meet their increased responsibilities and that the same was true also for the federal government. Well, the responsibilities of the federal government have increased because it has taken over fields of jurisdiction that belonged to the provincial governments. Consequently, it would be fair to limit the responsibility of the federal government by handing over to the provincial governments the responsibilities and sources of revenue which are theirs under the British North America Act.

We tried to obtain details about the provincial portable and contributory pension plan,

but all we could gather from people close to the Quebec government is that apparently the province wants to set up a contributory and portable pension fund with accumulated funds. It is said that, over a period of four years, the accumulated funds would total $500 million. At that time, the government of the province of Quebec could use that half a billion dollars to develop certain sectors of the provincial economy. Otherwise, the provincial government would have to raise taxes or borrow elsewhere, from the chartered banks or the finance companies, or issue savings bonds. If the province of Quebec considers the establishment of a consolidated fund through the portable and contributory pension plan, it is precisely because it intends to borrow from that fund. In other words, it is using the pension scheme as an excuse to increase taxes. It also means that its contributory pension plan will be more costly and that a worker who contributes to a cumulative contributory pension plan will pay more than if he were contributing to a pension scheme under which there is no accumulation of funds.

If contributions are three times higher per month or per year than under the federal plan, he will have used it as an excuse to raise a new tax on personal incomes in the province of Quebec.

If the provincial government needs revenues through new taxes, it should say it without beating about the bush, instead of hiding the fact behind a new contributory and portable pension plan like the one which is now suggested. However, we will be able to make a decision only when those two plans are known and bills are introduced by the various governments.

That is why we feel that before introducing her bill or when introducing the legislation relating to the system of contributory and portable pensions, the minister of national health and social welfare should at least give us the opportunity to consider the bills which will be introduced by the government of the province of Quebec and by other provincial governments who will wish to establish their own pension plans, so that we can choose between them.

And now, Mr. Chairman—

The Chairman: Order. I think I have been very lenient towards the hon. member for Lapointe by permitting him to proceed with his remarks up to this point. I remind him, however, that the house is not considering at the moment the resolution introduced last July concerning the system of contributory pensions. It is simply a resolution preceding the introduction of a bill to amend the Old Age Security Act, in addition to increasing the monthly pension from $65 to $75.

I therefore suggest that the hon. member should restrict his remarks to the resolution now under discussion.

Mr. Gregoire: Mr. Chairman, I had just finished expressing my views on the subject, but if I departed from the matter under discussion—I am sorry I did—it is because you had allowed some previous speakers to express their opinion on the contributory pension plan. I felt bound in my turn to inform the house of one of the reasons why the other act should be looked into most carefully.

As for the particular plan which is being submitted to us, that is the increase of old age pensions from $65 to $75, we are undoubtedly in favour of it and we shall see to it that it is passed as soon as possible.

However, in our opinion, the present government takes advantage of the situation to increase taxes, especially the additional 1 per cent tax on personal income tax. I agree with the parliamentary secretary to the Minister of Finance (Mr. Benson) who stated earlier that it would be difficult to increase further the sales tax, because it has just been increased in a very important field of our economy, i.e. in a field which accounts for $8.5 billion, namely building materials. Therefore, it was impossible to increase that 11 per cent sales tax.

But why should the burden of a tax increase such as this one, always be borne by the small wage earner? This burden is laid on the low income groups and again they will have to bear it.

Figures were quoted a while ago and I have noted a few which I should like to bring to the attention of the house.

For instance, we were told that in 1961, for the sole purpose of the old age security plan, personal income tax reached $229 million while corporation income tax amounted only to $103 million, which is less than half what is collected from individuals, from the small wage earners of our country.

Mr. Chairman, it was suggested a while ago that other sources of taxation could have been found. In my opinion, it would have been better for the population as a whole to raise the tax on corporation income.

Mr. Chairman, we know that in the United States, President Kennedy has come to the conclusion that taxes must be reduced in order to get the economy moving again. And I must confess that I was quite surprised to find that the present government had decided to increase taxes, because it is in the habit of following the Americans step by step and of doing everything they do.

Well, in order to rebuild the American economy, President Kennedy has reduced

taxes by $11 billion in a single year. He expects that the annual income of each wage-earner will thus be raised by $340.

Right there and then, President Kennedy, with all his teams of economists and experts, says: that will enable us to rebuild our economy, to reduce unemployment and to encourage national production.

And what is being done in Canada? Exactly the opposite. An additional tax of 1 per cent is being levied on personal income.

Mr. Chairman, I submit that the Minister of National Health and Welfare could find another source of revenue, and it was precisely suggested to her by the Minister of Trade and Commerce (Mr. Sharp) who, at that time, was replacing the Minister of Finance (Mr. Gordon) who was absent.

In fact, we asked the Acting Minister of Finance if he could have borrowed from the Bank of Canada the $400 million he needed for loans to the municipalities. We asked him first if it was possible to do so, since the Liberal government had done it previously. The Minister of Trade and Commerce said then that it could be done but that it was not possible to borrow as much as $400 million.

Therefore, since the Minister of Trade and Commerce in the present government has stated that it could be done, I am of the opinion that the opportunity to do so is given him today and the amount is smaller now; it is expected to reach approximately $57 million the first year.

Mr. Chairman, if the ministers could agree among themselves, the Minister of National Health and Welfare might convince the Minister of Finance to adopt that proposal. Then I am convinced that the Minister of National Health and Welfare would become the first minister in any government to have increased the old age pension rate without increasing at the same time the income tax rate. To attain that distinction, she would have only to convince her colleague the Minister of Finance, since the Minister of Trade and Commerce is already convinced, that when a small amount is involved it is possible to get the money from the Bank of Canada.

Mr. Chairman, the Minister of National Health and Welfare seems to ask me where we should take the money without increasing taxes. Well, the Minister of Commerce himself made this suggestion, and as a reasonable amount is involved, that is an amount of $57 million, he suggests that we get it from the Bank of Canada. And as it is well known that the Canadian economy is in a state of stagnation, we would help to start it moving by so doing.

At the present time, we merely have money moving by taking it from wage earners to give it to our citizens 70 years of age or over. But if we were getting the necessary money from the Bank of Canada, we would increase the purchasing power. We would not take money from the young people to give a little more to our old people. We would leave some to those who work and who have worked hard to earn their living and at the same time give a little more to our senior citizens.

Mr. Chairman, I will never be able to say how much we are against taxation, for taxation does not solve our problem; it only redistributes it as regards the citizens as a whole. On the other hand, we are in favour of the old age pensions' increase and that is the reason why we repeat our suggestion to the Minister of National Health and Welfare, for we believe that following the explanations given by the Minister of Trade and Commerce the other day, it would be possible for the ministers to agree to this suggestion for, after all, the amount involved here is a mere $57 million whereas the Liberal government of 1947 did not have any compunction to deal with $200 million.

Mr. Speaker, I would like to dwell for a moment on another question. The hon. member for Winnipeg North Centre (Mr. Knowles), has already raised that point a moment ago. Should we lower the age limit for old age pensions? We will naturally be told that, in so doing, we shall need new funds, and will thus have to increase the income tax. The present-day government seems to know of no other answer. However, let us think about the help we could bring to a great number of our fellow citizens, and boldly proceed with the proposed resolution.

A plant of the aluminum company is located in my own electoral district. Once they reach 65, the workers are pensioned off, and receive a monthly pension of $80 to $125 at the most. They are not entitled to anything else. For years, they have worked in the plant and at 65, as they can find no other work, particularly at a moment when unemployment is high, they have to wait five more years before receiving an old age pension which amounts to $75.

That, in my opinion, constitutes a gap which we should strive to fill and we should take steps so that those people who, at age 65, are used to a certain standard of living, should not have to work until they can get an extra $75 a month. Or perhaps, we should see to it that all those who are laid off or who are forced to retire because of a compulsory retirement plan or of an industry which no longer wants their services, people who have been unable to save any money because their salary was barely sufficient to make both ends meet, that such individuals

automatically benefit from a scheme under which they would get an old age pension of $75 per month at the age of 65.

The problem would be solved if a worker who is compelled to retire at the age of 65 because his services are no longer required, automatically received a pension of $75 a month even if he owns a house. But as it happens he is told today: you still own a house, sir, you still have a small bank account or something else in your name, a two-family dwelling, or something else. But if an individual has been clever or thrifty enough to buy a house, I do not see why, in order to be able to benefit from an old pension at 65 years, he should have to sell this house and wait for his capital to be spent before obtaining his $75 when he is 65. There is another suggestion I am making to the Minister of National Revenue. That any worker pensioned off at 65, should automatically come under the old age pension plan and get his pension from then on, so that there would be no more five-year period in his life during which he would not have enough to live decently or not be allowed to work.

Mr. Chairman, those are the few remarks I wanted to make on behalf of our group. I hope they will be favourably considered. They are not beyond the realm of possibilities. There is no exaggeration in these suggestions. The minister might have an estimate made of the additional cost to the pension fund so that those who are necessarily laid off benefit automatically from the old age plan without having to sell their house should they have one.

I believe that with all the tax increases that we have seen this year at the federal, provincial and municipal levels—the people are overburdened. And if that old age pension were to be financed through the Bank of Canada, I believe that the Canadian people would quickly forget about the vexations they have experienced and they would say; that minister managed to find the best way out of our economic problems in Canada.

[*Text*]

Mr. Nugent: I am looking at the mimeographed copy of the resolution which has been handed to us, and I am constrained to note that this increase in the old age pension was proposed a considerable time ago and that the Prime Minister made his announcement about two weeks ago that it was going to be brought forward. However, we have not got the item on the order paper. I am sure, Mr. Chairman, that we can understand the item not being on the order paper. At the time this resolution was moved, there was only about one copy of it in the house. Mimeographed copies were made available this evening. This causes us to wonder if suddenly, at the last moment, the government decided to introduce this measure in this form.

Miss LaMarsh: Would you like to see the printed bill?

Mr. Nugent: At the moment we have before us also the previous resolution embodying the proposal for a $10 increase in pension and the amendment moved by the right hon. Leader of the Opposition to make this $10 increase payable immediately. Certainly, the easiest method of implementing the government's desire would be to accept the amendment.

I was at a loss to understand the attaching of a monetary clause to this resolution by which taxes would be increased. Certainly the measure itself by which old age pensions are increased, compared to the contributory plan that the government previously considered, is broad enough in scope to allow us to debate both measures at one time. I suggest that the part of the measure by which taxes are increased would more properly be the subject of a separate budget resolution. I can understand why the government, in view of the trouble they have had with the budget and the number of changes they have had to make, would not be particularly anxious to introduce an individual budget item at this time. They hope, perhaps, that parliament and the country will treat them kindly in this respect because the old age pension item is attached to the item increasing taxes. Perhaps the two items are tied together because the government has finally become aware of just how much trouble they are running into in connection with their portable pension plan. They hope that this item, presented in this way, will draw attention away from that other pension plan and make the people of the country forget how much fire the government is drawing from various quarters in connection with that plan.

I realize, Mr. Chairman, that the specific resolution before us does not include the portable pension plan, but the method of financing is before us. We have to contrast this suggested method of financing with the method of financing suggested by this government just a couple of months ago in connection with the same item. I must say that the fact there were not even any copies of this resolution available until today makes me wonder if this measure was not brought before parliament in a great hurry. Certainly, it would not be the first time we have had reason to suspect this government of acting on impulse, not the first time we have seen them act hurriedly and without sufficient thought. Certainly the complete change from

The previous plan suggested by the government is sufficient in itself to make us look with considerable suspicion on those wonders on the government benches who have made us wonder before.

If the change in content were not enough, certainly the change in the manner and method of presentation of the minister would be enough to make us wonder. Most of us who were present in the house when the hon. lady introduced the portable pension plan can recall the positive glee, the almost triumphant manner, in which she presented this plan. We can recall her saying with a beautiful smile, how glad she was to see pensions now being taken out of the realm of politics, while at the same time giving the most political speech ever given in the presentation of such a bill. Certainly this afternoon her speech was very short and her manner most subdued. In fact, the amount of information that she gave was minute. One gained the impression that the minister had learned from her previous dealings on the subject of pensions in this house, and the public and press reaction, that perhaps the less said by her the better. It might be, too, that the result of her intervention in the Ontario provincial election, the reaction of her opponents as well as the reaction of the voters of this province, has taught her a lesson that perhaps will have a lasting effect not only on the hon. lady but on her conduct in this house.

I am in agreement with the increase in the old age pension, and I am sure most of us have realized the house must pass this needed piece of legislation. We all urge the government to honour the commitment it made to the voters during the last election to give this increase immediately. We recall how indignant we were when the government indicated it had no intention of carrying out that commitment and how it denied there was a commitment to put the increase into effect immediately.

I continue to be amazed at the manner in which the members of the government can use the English language. I am amazed at the lengths to which they will go to find a commitment on the subject of nuclear arms. Here we find the government committing itself to a policy it does not agree with, and stretching the English language as an excuse for doing so. On the other hand, and for a very worthy project on which they convinced every voter in the country they were committed to a $10 pension raise, they are unable to find a commitment, and have been unwilling to honour it until forced into doing so by the events and public pressure of the last few months.

I am sure most of us who know Canada's prosperity as a nation and the general standard of living we enjoy, realize that this makes it mandatory on us to recognize our responsibility to our old people in a substantial form. This $10 increase is justified and it is incumbent on us to pay it. In saying that, I am not unmindful of our responsibility to raise the money and to consider how it will be raised. However I am a little surprised to find this subject tied in at the same time as the increase is being passed.

It is not usual in the House of Commons, whenever a bill is presented calling for an expenditure of funds, to tack on to it a clause in the resolution preceding it outlining in detail the method by which the money should be raised. In fact the customary procedure is to deal with the matter in two stages, to consider whether we ought to carry out certain plans and then at another time consider the question of raising money for that purpose in the debate on raising money generally. In this manner we are able to keep our spending and the raising of money in proportion and each item, taken together with all the rest, is capable of being assessed regarding its effect on the tax paying ability of the country.

Dealing with the present measure, we have to consider not only whether the old age pension should be increased but we have also to decide whether we should change the general formula which has existed for the last 10 or 12 years, of finding increased funds for pension purposes by an orderly increase on each of three classes of taxpayers. We have to consider whether it is wise for the house to vary that formula, and I submit that this question alone could be the subject of a very long and learned debate.

It is worthy of note that the minister made only passing reference to the subject of raising the money. It was only after three or four hon. members had spoken on the subject that the parliamentary secretary contributed to the debate and we heard any discussion on the question of raising the necessary funds. Considering that the subject of taxation is rather difficult at the best of times, and knowing you cannot raise taxes in one area without having a considerable influence on the well-being of the general economy of the country, I would think the government would have been anxious to approach this subject of additional taxation with some diffidence, and to have approached the subject of a change in the concept of taxation with some difference, and furthermore with some advance notice.

We were told a couple of weeks ago that the government planned to increase old age pensions, but I do not think we were told exactly how it was to be done. There was nothing on the order paper and nothing was

said specifically about it until today. I suggest that this is rather a quick method of asking the house to deal with so serious a subject. In fact I begin to wonder whether the minister has really learned to leave politics out of these questions.

It looks to me like another political trick to propose the increase and the financing of it in such a way that we, as legislators, would be rather careless in looking at it and examining it closely. Then, if we dare to examine or question the propriety and wisdom of raising the money in this manner, it could be said we were guilty of prolonging debate and keeping the old age pensioners from getting their money. However I believe that the people of the country will see through this political trick.

I suggest the minister has not learned that public pressure is not just brought about by insurance companies complaining about portable pension plans. Public pressure is the awareness of the ordinary men and women of Canada of what is going on. It is the realization by them that the Liberal government came into power because of what it promised to do, and this is a commitment the government had to carry out because of that public pressure. Even at this late date I would suggest the government would be well advised to accept the amendment moved by the Leader of the Opposition.

I have a few questions in my mind despite the illuminating and interesting information supplied by the parliamentary secretary. There are the questions of other expenses that usually accompany a straight raise in old age pensions. Contributory pensions usually go up at the same time, and there are the same considerations to be given to contributory widows pensions and blind pensions. We will run into all these increases. The argument that holds good for one holds good for the others. They usually have gone up at the same time, so that added to the question of whether the government has acted properly in tying in this method of raising money with the increase in pensions, is the question of whether it has only attacked the problem piecemeal.

Surely public pressure on the Liberal government which forced them to agree to this $10 increase is not to be satisfied by this sort of action without regard to the kind of common sense it makes. The same public pressure will want to know about the other pensions; it will want to know why the government has not handled them all together, and it will want to know why the government does not put its taxation house in order all at once. Certainly the fact is that so little is left of the budget, and the ordinary citizen of Canada is so much in doubt as to where the finances of this country are, that a new budget for this year is more than past due.

Mr. Chairman, I would suggest that instead of putting these two things, the money spending and the money raising, in the same resolution, the government should merely put through the old age pension increase and the minister should tell us what she intends to do about the contributory pensions, pensions for the blind, etc. Then the government can put its mind to work on the question of bringing in a new budget. The parliamentary secretary to the Minister of Finance quoted some figures which indicate—if I sorted it out in my mind correctly, and without the tables to which he referred it was rather difficult to get them straight; but I made some notes —that the 1 per cent increase in the old age security tax payable by the individual would amount to about $90 million in a taxation year. When the minister made her statement to the house she said the difference in cost on this one item would amount to about $116 million for a year. So that for the one year the two items are nearly ad idem and it would seem, whether I use the term "taxation year", "fiscal year" or "calendar year", this will not be too inaccurate. I do not want to get confused, as did my hon. friend from Macleod, with regard to what we call the year. I take it that whatever year we are talking about, it is the same year, calendar or taxation.

However, I remember the minister's speech on the contributory plan and I note that we still have this on the order paper, and we have had no indication from the government that it intends to drop the contributory plan. We are going to have the complication of financing that, which may have a bearing on the amount of money realized from this increase in taxation and which is certainly going to have an influence on the ability of the taxpayer to pay it. I am wondering whether the minister, when she next deals with this topic, would mind straightening out the house in this regard, bearing in mind some of her remarks of July 18 as reported in *Hansard*, where she made reference to the variable amounts that might be required to be paid out under the contributory scheme.

All we know about the participation of the other provinces in the federal scheme is that apparently Quebec is not going to take part in it. I would think that in itself might be warning enough to the minister that some of the weighted criticism across the country with regard to the portable pension scheme is perhaps worth looking at very closely.

We are not sure, of course, that the rest of the provinces are going to agree, and perhaps of more moment to this debate is the fact

that the provinces may very well ask the minister to reconsider part of that other scheme. That part may be the method of financing and the amount of contributions, etc. We certainly saw, for instance, in the winter works program that the government had to practically throw out its scheme and adopt the one the provinces wanted, in order for them to accept it. We do not have the acceptance of the provinces and I therefore suggest it is quite possible that the provinces may force the government to bury its contributory scheme to the extent that the fund raising aspects of it will throw a totally new and unexpected load on the government.

I suggest that even though, as the minister said originally with regard to the contributory scheme, we are not exactly fixed on the contributions from the individual, that part of the finances the provinces expect the federal government to pay will have to come from additional sources of tax revenue. It might very well be that the minister will be in the position of having to come back to the house and say, "I want to increase each of the categories from 3 per cent to 4 per cent"; that is, not just the tax on the individual, but the sales tax and the corporation tax, right across the board. In that case we would be presented with a whole new set of figures.

Might I suggest to the minister that she seriously consider withdrawing from this resolution the fund raising part of it. Also, I suggest that an entirely new budget be presented, or an amendment to the budget, so that we can get on with granting the increase in pension without this further complication, and so we can give the fund raising aspect of this matter the kind of attention it deserves.

[*Translation*]

Mr. Paul: Mr. Chairman, during the last federal election, the hon. Minister of National Health and Welfare (Miss LaMarsh) was a member of the truth squad. Probably worried about her conversion, she remembered the words of Socrates, the philosopher: Know thyself. Then, she changed her mind but she nevertheless retained a certain personal knowledge which she has used today and which she acquired while she was following the present Leader of the Opposition (Mr. Diefenbaker) who was Prime Minister at the time. The best evidence we have of that is the resolution which the minister introduced this afternoon. Indeed, the hon. lady had to agree that the Leader of the Opposition spoke the truth last July 18 when, seconded by the hon. member for Perth (Mr. Monteith), he moved the following amendment:

That the said resolution be amended by adding after the words "ten dollars a month" in line 9:

[Mr. Nugent.]

"and this house asks that the government give consideration to making the payment of such additional pension to commence on this day."

The Minister of National Health and Welfare has now decided to accept this proposed amendment. At that time, she and the Minister of Justice (Mr. Chevrier) rose and stated emphatically that the proposed amendment was unconstitutional. And I think it is you, Mr. Chairman, who on that day said that you would take under advisement the matter of legality of the amendment proposed by the Leader of the Opposition. In my opinion, the resolution introduced this afternoon by the minister relieves you from rendering a decision which we were anxious to know.

The Minister of National Health and Welfare accepts the suggestion made by the Leader of the Opposition, except for the last words of the amendment: "to commence on this day", because the resolution before us indicates that this legislation on old age security will come into force on October 1, 1963.

I would like, Mr. Chairman, to draw your attention to a particular point which came up in discussing this resolution. I did not look very deeply into the matter, but I wonder if the resolution does not come in conflict with some clauses or rules of the house, because I do not know whether we are allowed two resolutions on one bill. I shall not stress the point, I only mention the fact. But, I wonder if it is not creating more of that confusion often found among government members, and which is characteristic of them since they took over. If we look over the text of the resolution introduced this afternoon, and refer to number 15 on the order paper, we shall see that it also mentions an increase of $10 a month in the pension paid under the Old Age Security Act.

No doubt the leader of the house, the hon. member for Bonavista-Twillingate (Mr. Pickersgill) did not have time to submit the question to the government's legal adviser because after the triduum which followed the closed retreat of last week end which the members of the Liberal party attended, I think the Minister of National Health and Welfare—in order to regain political prestige was forced to submit this resolution in a hurry, without studying all its legal aspects. But there is no doubt that all members of the house will support this motion since we of the official opposition, were in favour of a $10 per month increase as early as July 18, we still are, even more than ever.

That legislation, as I said a moment ago, was prepared in great haste, did not have time to ripen or to be completed, and could

not give satisfaction to all those who need social aid in any guise or form from the federal government.

Besides, the Minister of National Health and Welfare when she saw at the last federal-provincial conference that her contributory pension scheme was turning out to be a failure—a failure that was much more humiliating since it was coming on the heels of the last federal election—then, the minister should have taken the opportunity offered her when she met with the provincial premiers to discuss the advisability of amending the act in order that the provinces and the federal government might offer pensions not only to those over 70 years of age, but also to those now coming under the handicapped and blind persons acts.

Now, I believe that the minister of health and welfare, as well as the government, would have shown the Canadian people that their plan was not submitted for the purpose of bolstering the Liberal party which is sinking fast since it is the first constructive piece of legislation introduced by this government.

Since April we have been faced only with incomplete legislation meant to put the taxpayer in a difficult position. I am thinking of those different taxes which have been levied by a certain minister of finance who turns out to be a pretty poor administrator. He may be a competent accountant, but as far as I am concerned, he does not know the first thing about administration. Besides, the measure brought forward is nothing but patchwork and intended to make the people forget the government's mismanagement at this time and, as the previous speaker just said, I think that the government should not introduce immediately this legislation to impose a 4 per cent tax to provide for the increase of that pension. We should rather be given the opportunity to think over and revise the whole social legislation. Then, the government might find out in that financing method a form of taxation which would not only help to meet the expenses of its social assistance plan, but also help all the various classes of society, the various classes of government pensioners.

I think the minister should give more thought to the old age problem even though the government will not get much political advantage from it. When the Prime Minister made his announcement during the last election campaign in Ontario, several old persons in my riding were delighted over the statement, but everyone without any exception told me that the Prime Minister was afraid of being defeated in the house and that it is the Leader of the Opposition who imposes his views and makes the government realize that to keep that election pledge is in their own interest.

Last year, when we introduced legislation to raise from $55 to $65 the payments to all government pensioners, there was no mention of new taxes to be imposed. It is to be hoped that the famous planning program will be carried out without new taxes having to be imposed on Canadian taxpayers.

[*Text*]

Mr. Pickersgill: Mr. Chairman, I was wondering whether we could pass the resolution now and if other members who wished to speak would be willing to speak on the bill instead of the resolution. It would save almost a day of parliamentary time.

Some hon. Members: Agreed.

Mr. Pigeon: Mr. Chairman, I have prepared a speech which I intended to make tomorrow.

Mr. Pickersgill: Would the hon. member object at all to making it on the bill instead of on the resolution?

Mr. Nasserden: I want to speak on both.

Mr. Pickersgill: Well, I just inquired, sir.

The Chairman: It being ten o'clock shall I rise, report progress, and ask leave to sit again at the next sitting of the house?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the house leader if he would give us a forecast of the business for the rest of the week, which I hope will be done in orderly fashion without these special requests to go on after the hour, and things of that nature.

Mr. Pickersgill: Mr. Speaker, I think most hon. members will feel that the country will expect us, even if we once in a while have to sit a little late, to do the country's business.

The first item we shall take tomorrow is the continuation of this debate, and if it is completed, as I hope it will be, we shall then take the two bills respecting Northwest Territories. I may say there is some urgency about these because of the need to hold an election in the territories this autumn. If they are completed there is a resolution standing in the name of my colleague the Minister of Labour with respect to vocational training which would be taken next.

If we conclude the debate on the old age pension resolution we would want to take the bill on Wednesday, and on Thursday, I should like to suggest, the Minister of Finance will be asking for interim supply. It was our thought that we would ask for two months

supply so as not to interrupt our business again. We would hope in that time to be able to get through all the estimates.

The resolution respecting the measure to which the Minister of Labour referred earlier today will appear on the notice paper of today and will, of course, appear on the order paper on Wednesday. We would expect to advance it one stage on that day. As the minister has indicated, its progress beyond that stage will depend to some extent on developments which may or may not take place outside the house. It is therefore necessary to have some reservations about business in the latter part of the week.

Mr. Knowles: May I ask the leader of the house a question? If, as we hope, the debate on the old age pension resolution is ended early tomorrow, might it not be possible to have the bill printed and proceeded with later tomorrow in place of some of the other legislation to which the hon. gentleman has referred?

Mr. Pickersgill: That would be exceedingly agreeable to the government, but unanimous consent would be required.

It being five minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, October 1, 1963

The house met at 2.30 p.m.

VETERANS AFFAIRS

EXTENSION OF INCREASED OLD AGE PENSION TO WAR ALLOWANCE RECIPIENTS

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, it is the intention of the government that recipients of war veterans allowances and corresponding civilian war allowances who are over age 70 shall not be deprived of the proposed increase of $10 a month in old age security pensions. We therefore intend that an item will appear in the supplementary estimates to be tabled later this week which will provide for this adjustment, so there will be no reduction in the amount of the cheque to be issued to war veterans allowance recipients.

Some hon. Members: Hear, hear.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, the statement just made by the Minister of Veterans Affairs will be very well received by veterans across Canada, particularly those at the age of 70 and over who come under the war veterans allowance arrangements. These persons are deserving of this type of assistance, and this corresponds to and follows what we put in practice in instances where the old age pension was increased. We immediately made the increase available to those on war veterans allowances. We welcome this announcement, and we are pleased to see the minister has now got some grasp of his department.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, we are happy to learn that the government intends to act immediately regarding the increase in the old age pensions as well as the veterans'. We are anxious to see the estimates introduced. The most anxious are certainly the veterans and the old people across Canada.

We congratulate the government on this action and we hope to see the measure before us as soon as possible.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of the New Democratic party welcome the announcement made by the minister, and I am sure it will be welcomed by people right across Canada. I hope that when the government is considering the effects of the proposed $10 a month increase for old age pensioners, it will also give some thought to legislation dealing with blind pensioners and disabled persons. The whole picture has to be rounded out, and I am sure the government has it under consideration. I certainly hope legislation will be brought down accordingly.

[*Later:*]

On the orders of the day:

Hon. J. W. Monteith (Perth): Mr. Speaker, I would like to ask the Minister of National Health and Welfare a question. Does the minister intend to bring forward resolutions and consequential amendments to the Old Age Assistance Act, the Blind Persons Act and the Disabled Persons Act, so these unfortunate people may receive equal benefits to those covered by the Old Age Security Act, and from the same effective date?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, may I point out to my hon. friend, who held this portfolio just before I did, that the government can only bring forward one piece of legislation at a time. As he knows, we are now dealing with the largest mass of the people. When we have completed this matter the house will be informed of the next piece of legislation to be dealt with.

Mr. Monteith: Does this mean these people benefiting by these related acts will or will not receive this extra benefit dated from October 1, the same as those receiving benefits under the Old Age Security Act?

Miss LaMarsh: Mr. Speaker, this will of course be announced in due course.

LABOUR RELATIONS

GREAT LAKES—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to direct a question to the Minister of Labour and ask if he would bring the house up to date on the discussions he has had with Mr. Jodoin and other labour leaders. In particular would he comment on a statement made by a reliable member of the press gallery, Mr. Ed Murphy, to the effect that an informed government source said that the S.I.U. had threatened

to tie up Canadian ports if the government goes ahead with its proposed union control?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, discussions were held yesterday evening between myself and the executive officers of the Canadian Labour Congress, at which time the ideas that had been explored in Boston over the week end were reviewed and canvassed. I was informed yesterday that the executive committee of the congress would be meeting this morning, and as yet I have received no report from the congress as to the results of its deliberations.

With respect to the second part of the question, as I stated in reply to a question on the week end, I have received no communication about nor have I any knowledge of this particular threat, namely that the implementation of the government's intention would produce this result. I as Minister of Labour have received no communication nor have I any reason to believe that the department or any member of the government has received any communication of that kind.

NATIONAL DEFENCE

CONSIDERATION BY COMMITTEE OF PROPOSED POLICY CHANGES

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I should like to ask a question of the Minister of National Defence based on an article in the *Globe and Mail* reporting his speech at Hamilton last evening. My question is, is it the intention of the minister to ask the special committee on defence to examine and report on the proposed changes in defence policy before he makes a decision?

Hon. Paul Hellyer (Minister of National Defence): I am not sure, from the question the hon. gentleman has posed, just exactly to what changes he is referring.

Mr. Churchill: The newspaper reports the minister using these words:

> We are well on the way toward decisions in respect to these things. Some decisions can be made very shortly.

I simply ask, will he refer these problems to the special committee on defence to get their findings before he makes the decisions about which he talks?

Mr. Hellyer: Mr. Speaker, I have no doubt that the committee will wish to consider all these problems, and I will be most happy if it does so. While I am on my feet perhaps I should take this opportunity to correct one error which appears in that report, and say I did not indicate that the white paper would be available in December. I said the review, I hoped, would be completed by the year end, but the white paper would probably not be available until some time next year, after the government has had a chance to consider it.

[Mr. Diefenbaker.]

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

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

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, as a member of the defence committee I should like to ask this. We have been told by the minister that we have nothing to say as to the decision. Will he now present his proposals to the next meeting of the defence committee, or is he acting as a prevaricator, saying one thing in committee and the opposite in the House of Commons? Will the minister tell us now, in view of his answer, whether he will give evidence before the committee?

Mr. Hellyer: Mr. Speaker, I will give evidence before the committee any time I am called to appear there.

NATO—REPORTED REQUEST FOR INCREASE IN CANADIAN FORCES

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, may I ask the Prime Minister a question? Can the government tell us whether it has been requested by NATO to increase its military forces overseas and, if so, will the problem be put before the house?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I know of no such attempts. As a matter of fact, NATO has not the authority and is not in the habit of making demands on governments in the terms in which the question has been put.

NUCLEAR WEAPONS—PAYMENT OF RENT BY U.S. FOR STORAGE IN CANADA

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Does the American government pay rent to Canada for the use of our territory at La Macaza and North Bay for the storage of American nuclear warheads? If so, what is the amount of such rent?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, if I understood the question correctly the answer is that the government of Canada does not pay rental for this land. It owns it outright.

FINANCE

USE OF MONEY FROM WHEAT SALE TO RUSSIA

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, my question is directed to the Prime Minister.

Could the monetary unit that we are accepting in payment for the wheat we sell to Russia be used to pay off our debts with the United States?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am sure the $500 million we hope to receive will be put to a very good purpose indeed.

REMISSION OF UNION DUES TO UNITED STATES

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Finance (Mr. Gordon). In view of the deficit of our balance of payments with the United States, is the Minister of Finance considering taking steps to prevent Canadian assets under the form of union fees from leaving Canada for the United States?

[*Text*]

Mr. E. J. Benson (Parliamentary Secretary to the Minister of Finance): Mr. Speaker, I shall be most pleased to take this question as notice and bring it to the attention of he Minister of Finance.

PENSIONS

SUGGESTED REFERENCE OF PLAN TO HOUSE COMMITTEE

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to address a question to the Minister of National Health and Welfare. Last week the hon. lady was reported as saying that she was opposed to the idea of a committee of this house having referred to it the Canada pensions plan. On Sunday the Prime Minister indicated that he was quite prepared to accept such a reference. Has the hon. lady now changed her mind in this regard?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I did not see the report to which my hon. friend refers.

INDUSTRY

MOTOR VEHICLES—DISCUSSIONS RESPECTING INCREASED PRODUCTION AND TRADE

On the orders of the day:

Mr. H. E. Gray (Essex West): Mr. Speaker, I have a question for the Minister of Industry. I should like to ask whether the minister can assure the house that discussions are continuing with the manufacturers of motor vehicles and parts to work out methods of increasing production and trade with respect to Canadian automotive products.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I thank the hon. member for having given me notice of his intention to ask this question. Discussions have been taking place between members of the government and the motor vehicle manufacturers and automotive parts producers. The purpose of these discussions has been to explore possible means of improving the balance of trade in motor vehicles and parts.

The government has received a number of suggestions from these industries on measures to achieve this objective. A high priority is being given by the government to formulating a plan to improve the trade balance, a plan which will also provide opportunities for the vehicle and parts manufacturers to realize economies of larger scale production. We are not yet in a position to announce the details which are being considered, although I can say that we contemplate a measure which will encourage a substantial increase in the production and trade in Canadian automotive products. Such a plan would not be of a restrictive nature, but rather it will provide incentives to encourage trade expansion.

[*Later:*]

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to direct a question to the Minister of Industry arising out of his reply to the carefully rehearsed, spontaneous question put to him by the member for Essex West. Could the minister indicate to the house the extent to which United States authorities are involved in the plan to change the importing of automotive parts, particularly in view of the published threats of retaliation in some form by Secretary Hodges? Could he indicate the degree of involvement of United States authorities in his plans and whether subsequent meetings are going to be held to discuss the plans with them?

Mr. Drury: Mr. Speaker, at the recent ministerial conference in Washington with the United States authorities an outline was given to the United States representatives of Canada's intentions in regard to redressing our imbalance of payments without, however, disclosing any specific plan to do this. The measures that the government of Canada has in mind to accomplish this purpose would in no way invalidate or go against our agreements, either specifically with the United States or under the general agreement on tariffs and trade. Consequently in the completion of these plans it would not be necessary to involve the United States administration at all. We would, however, welcome their co-operation and will seek to keep them informed of the steps we contemplate.

STORMS

QUEBEC—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, my question is directed to the Prime Minister. Would the hon. gentleman tell us if the government of Quebec has addressed a request for financial assistance to the federal government in order to help the victims of last June in Abitibi West?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, to my knowledge, the answer is no.

[*Text*]

HARBOURS

COAL HARBOUR, B.C.—LEASES OF WATER LOTS

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of Transport. What commitments have been made by the federal government through the national harbours board in respect of long term leases of water lots in Coal Harbour in Vancouver to Coal Harbour Investments Limited, who are planning a comprehensive scheme of development at the entrance to Burrard inlet?

Hon. G. J. McIlraith (Minister of Transport): To check the files in order to see precisely what commitments or leases have been entered upon would require detailed research work, and I should think that a question of this type should be put on the order paper. I shall be glad to get the information if the question is put on the order paper.

WORLD FAIR

INQUIRY AS TO SITE AND COMPLETION DATE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I ask the hon. Minister of Public Works a question? In order to stop the rumors which are spreading, would the hon. minister state in the house whether the world fair will be definitely held in Montreal, on St. Helen's island and on the set date in 1967?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I think that the recent statements of the commissioner responsible for the world fair and of his assistant would answer the hon. member's question.

However, I may add, with regard to the world fair site, that there is no doubt at this time that the site will be handed over to the World Fair Corporation not only in time, but before the date provided.

With regard to the approaches, they will, but for a major impediment, also be completed in good time for the world fair.

Mr. Pigeon: Mr. Speaker, may I ask a supplementary question? Following his statement regarding roads, would the hon. minister tell us whether those approaches include the trans-Canada highway leading to the world fair site?

Mr. Deschatelets: Mr. Speaker, when the three-way agreement was concluded about a month ago in Montreal, between the Minister of Public Works, the provincial government and the authorities of the city of Montreal, it was understood that the eastern section of the trans-Canada highway from Montreal would not be completed in time for 1967. The efforts of the three governments will bear on the western section which extends from Decarie boulevard to St. Helen's and Notre Dame islands, and which is recognized as the vital one for the fair.

We were, at the time, assured by the Quebec government engineers that this section, which is vital for the world fair, will also be completed in time for the fair.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, may I ask a supplementary question? Could the minister give us the real reason for the resignation of Messrs. Bienvenu, Carsley and Robillard?

Mr. Deschatelets: Mr. Speaker, when Mr. Bienvenu and Mr. Carsley handed in their resignations, which were regretted at the time, they gave their reasons for doing so and it would not be proper for me to add anything to what they said.

Mr. L. J. Pigeon (Joliette-l'Assomption-Montcalm): Mr. Speaker, speaking of roads of access to the fair, could the minister tell the house if the federal government will contribute about 90 per cent of the construction cost?

Mr. Deschatelets: Mr. Speaker, as regards work on the trans-Canada highway, the federal contribution is provided for in the Trans-Canada Highway Act and it will be the same in this case as in the other provinces.

[*Later:*]

On the orders of the day:

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that it is urgent and timely, I hope the Prime Minister will inform the house and the public as to which member of the cabinet answers for the world fair.

[*Text*]

Mr. Pearson: Mr. Speaker, the reason I answered the previous question with the words "Of course it was inaccurate" was because there was a minister already designated as minister responsible for the world fair. That has been made public and it is the Minister of Public Works.

[*Translation*]

Mr. Valade: I have a supplementary question for the Minister of Public Works.

Could the minister tell the house whether the new general commissioner has accepted the $75,000 yearly allowance which his predecessor refused?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I will take notice of the question and answer it tomorrow.

[*Text*]

REPORTED APPOINTMENT OF MEMBER FOR ST. LAWRENCE-ST. GEORGE AS LIAISON OFFICER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I wanted to ask a question relating to the very well thought of hon. member for St. Lawrence-St. George. I would like to ask the Minister of Public Works whether there is any substance in the reports that the hon. member for St. Lawrence-St. George has been appointed to or given the task of providing liaison among the federal government, the government of the city of Montreal and the Quebec government in matters relating to the world fair.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, this matter is a prerogative of the Prime Minister and I would refer my hon. friend's question to him.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the report is of course without foundation.

TRANSPORT

RAILWAY BRANCH LINES—SUGGESTED POSTPONEMENT OF ACTION

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): I wish to direct a question to the Minister of Transport. Has the minister anything new to report on the proposed railroad abandonment in the light of heavy grain movements on the prairies?

Hon. G. J. McIlraith (Minister of Transport): No, Mr. Speaker. There have been no rail line abandonments on the prairies, and I do not think there is anything new or different about the situation. I hope we can move the prairie wheat to the complete satisfaction of the hon. member.

Mr. H. A. Olson (Medicine Hat): A supplementary question. I should like to ask the minister if he would care to comment on reports that further sales of wheat are being discouraged, or at least inhibited, because the transportation industry is unable to cope with any further movement.

Mr. McIlraith: Mr. Speaker, I do not know whether it is good practice to comment on such statements, but it is perfectly obvious that the statement is untrue.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

INQUIRY INTO ADMINISTRATION OF PAROLE BOARD

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I should like to address a question to the Minister of Justice. Can he inform the house of any progress made by the committee which is at present considering the problems of the national parole board?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I had difficulty understanding the last part of the question. I imagine the hon. member's question has to do with the Dion case?

Mr. Marcoux: I am particularly interested in the Dion case, Mr. Speaker. I am concerned about the work of the committee investigating the national parole board, and I am asking the minister if he could inform the house of any progress made in that regard?

Mr. Chevrier: Mr. Speaker, before the adjournment, in early August, I appointed two persons for this investigation. I now have their report before me. I am examining it and I will report to the house in due time.

AGRICULTURE

PROVISION OF FEED GRAIN STORAGE IN EASTERN CANADA

On the orders of the day:

Mr. Gerard Perron (Beauce): Mr. Speaker, I should like to direct a question to the hon. Minister of Agriculture. In view of the fact that wheat is a popular topic of debate, does the minister intend to order the construction of feed grain bins for the benefit of eastern farmers, so as to reduce the cost of feed grain to the eastern feed mills.

[*Text*]

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I wish to thank the hon. member for bringing this question before the house. I will bring it to the attention of the minister and an answer will be forthcoming.

CANADIAN NATIONAL RAILWAYS

SAINT JOHN, N.B.—PROPOSED SALE OF GRAIN ELEVATOR

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a question for the Minister of Transport of which I have given him some notice. In view of the recent announcement that the C.N.R. will be selling its grain storage elevator at Saint John, and in the light of the strain on existing facilities, will the minister reconsider this proposal and perhaps have the elevator operated by the national harbours board to the fullest extent?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I do not know that this is exclusively a matter for the minister but I will certainly look at the question posed by the hon. member to see that the movement of grain out of that harbour is not interfered with in any way.

BUSINESS OF THE HOUSE

PUBLIC ACCOUNTS—REQUEST FOR SETTING UP OF COMMITTEE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to direct a question to the Prime Minister. Is it the intention of the government to set up the public accounts committee at an early date so that the Auditor General's report and public accounts tabled in this house on January 31, 1963 may be examined and thus maintain the continuity of the committee's work?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be very glad to take that matter into consideration. I think the committee should be set up at an early date.

UNEMPLOYMENT INSURANCE

EXTENSION OF BENEFITS TO WORKERS IN U.S.

On the orders of the day:

[*Translation*]

Mr. Charles-Eugene Dionne (Kamouraska): Mr. Speaker, I wish to direct a question to the Minister of Labour. Can he inform the house of the result of negotiations undertaken by representatives of the Canadian government to reach an understanding with the American authorities in order that Canadian workers in the United States, particularly in Maine and New Hampshire, may become eligible for unemployment insurance benefits?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, last week in an attempt to reach a decision on this matter with the state of Maine, a matter which I might add has been outstanding for the past 20 years, I visited Augusta and put the claims of the Canadian workers before the governor and also before the state employment commission. It would appear to me that there is a very just case for pressing to have an agreement concluded quickly between the state of Maine

and the unemployment insurance commission of Canada to provide for reciprocal treatment of workers moving from one area into the other. As all hon. members know, we have such an agreement with 47 other states.

I received no definite indication from the authorities in Maine though I pressed for a decision at an early date. Once a decision has been made the government and the unemployment insurance commission will then be in a position to assess what further steps ought to be taken.

NATIONAL PARKS

BANFF, ALTA.—REPORTED APPOINTMENT OF ADMINISTRATOR

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. This is an important question so far as the national parks and our tourist trade are concerned. Is it correct that the present government has abolished the elected Banff advisory council and intends to appoint an administrator to run Banff national park and other parks in Canada?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I always thought it was a somewhat dangerous practice for a private member to announce government policy. I noticed in a copy of the *Albertan* yesterday that the hon. member had announced that this was government policy. I want to tell him that the advisory committee has not been abolished, nor is there any intention on the part of the government to abolish it.

Mr. Woolliams: A supplementary question, Mr. Speaker. When the minister was at Banff national park did he not announce that an administrator would be appointed to look after the affairs of Banff? If so, what is the name of that administrator?

Mr. Laing: Mr. Speaker, I announced that it was the intention of the government to appoint an administrator for the townsite of Banff. I announced at the same time that I would expect that administrator to work as closely as possible with the advisory council. I have no names in mind whatsoever for the position of administrator. We are seeking a person with civic experience and who also has some recognition of the long term objectives with regard to the parks.

Inquiries of the Ministry

HEALTH AND WELFARE

FAMILY ALLOWANCES—PAYMENT TO SCHOOL CHILDREN OVER 16

On the orders of the day:

Mr. A. D. Alkenbrack (Prince Edward-Lennox): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Six months ago in the last political campaign all political parties—

Some hon. Members: Question.

Mr. Speaker: I wonder if the hon. member would just state his question.

Mr. Alkenbrack: When does the government propose to implement the promise made to pay family allowances to those over 16 years of age who are still at school?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Government policy will be announced in due course.

NORTHWEST TERRITORIES—CHECK OF LEVELS OF CAESIUM 137

On the orders of the day:

Mr. Gene Rheaume (Northwest Territories): I should like to direct a question to the Minister of National Health and Welfare, which arises out of press reports that the level of radioactive caesium 137 is approximately 100 times as high in the people who live in northern Alaska as compared with people living elsewhere in the United States. My question is, what steps is the federal government taking to check the levels of caesium 137 in residents of the Northwest Territories at the present time?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): If I am not mistaken such a question is already on the order paper for answer.

OLD AGE SECURITY

INQUIRY AS TO INCREASE IN AMOUNT OF PENSION

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of National Health and Welfare. In view of the fact that government orders Nos. 15 and 19 on today's order paper both call for an increase of $10 in the old age pension, are we to assume that the total increase will be $20? Is there any answer, Mr. Speaker?

NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO PAVING

On the orders of the day:

Mr. Erik Nielsen (Yukon): I should like to ask the Minister of National Defence whether

he has received a communication or resolution from the Alaska highway paving conference held in Whitehorse recently? If he has, does he intend to take any action in respect to it?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, a copy of that resolution has come to my office. The question of the probability of paving the highway would be a matter of government policy. So far as I know it has not yet been placed on the agenda.

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Northern Affairs and National Resources. Will the government finally transfer to the government of the province of Quebec jurisdiction over Eskimo affairs in New Quebec in accordance with the legitimate wishes of the province and those of his good friend, Mr. Rene Levesque?

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I want to thank the hon. member for his courtesy in giving me some notice of this question. The question has been raised in the house several times, and at present I can tell him there have been a number of discussions, but there have been no negotiations of any kind. I think it is now suggested that this matter might become a subject of more discussion at the dominion-provincial conference in November. Meanwhile if the minister of natural resources of the province of Quebec should wish to discuss it we would be glad to hear from him.

I would like to assure the hon. member that we are proceeding in respect of capital expenditure and maintenance with the fullest discharge of our responsibility as a federal government, as set out for us in the decision of the supreme court in 1939, in respect to these people.

[*Translation*]

Mr. Pigeon: I have a supplementary question, Mr. Speaker. Can the minister tell the house whether the hon. member for St. Lawrence-St. George was talking on behalf of the government when he made a statement recently before the Arctic institute at McGill University?

[Mr. Nielsen.]

[*Text*]

Mr. Laing: In response to that, Mr. Speaker, I want to tell the hon. member that I have an extremely high regard for my parliamentary secretary, and I think this regard is shared in other parts of the house.

The hon. member may recall that my parliamentary secretary, in discussing this matter before the Arctic institute in Montreal recently, made it one of the conditions of his statement that he was representing only his own opinion and not that of the department or the government. However, I think it related to a suggestion that education in the area should be combined with a proposed Bill 60, and this proposal of his, which was his own suggestion, has since been commented on rather widely.

Mr. Erik Nielsen (Yukon): I have a supplementary question, Mr. Speaker. Since the minister has stated that this matter might become one for discussion at the dominion-provincial conference, is it his intention to somehow obtain the wishes of the Eskimo people, who are most concerned in this matter, before any decision is made?

Mr. Laing: Mr. Speaker, during a recent visit to the area, when complaints were registered with me I did make the commitment to the Eskimo people that in respect of any changes we would keep them aware of the situation and advise them of prospective changes.

Hon. Paul Martineau (Pontiac-Temiscamingue): A supplementary question, Mr. Speaker. Are any prospective changes contemplated at this time?

Mr. Laing: As of now, no. I think I made that very clear in my statement. We are conducting these affairs clearly under the responsibility given to us by the decision of 1939.

Mr. Nielsen: A further supplementary question, Mr. Speaker. Rather than advising the Eskimo people of any changes to be made, is it the minister's intention to consult the Eskimo people before any decision as to change is made?

Mr. Laing: Mr. Speaker, let me say to the hon. member that I think it would be the opinion of all hon. members of this house, of the legislature of Quebec and all other provinces, that the sole consideration is the benefit to the primitive people concerned. When I have said that I think I have taken care of the situation as between advising people or seeking their consent. I think there is a wide opinion that the sole purpose in the discharge of this responsibility is the benefit to the people themselves.

[*Later:*]

Mr. Gene Rheaume (Northwest Territories): Mr. Speaker, I would like to ask the Minister of Northern Affairs and National Resources whether he was enunciating his future policy in dealing with the Eskimos, whom he rather casually described as primitives, when he said that in future they shall be advised rather than consulted in a democratic manner.

Mr. Speaker: Order. May I point out to all hon. members that we have discussed this subject at length in two successive days, and I would hope the urgency has gone out of it for at least two weeks.

BROADCASTING

REQUEST FOR PROGRESS REPORT ON WORK OF INQUIRY COMMISSION

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Secretary of State whether he has received a report or advice from the Jamieson, Stewart, Ouimet trio on broadcasting matters, and if they have recommended an amendment to the Broadcasting Act or a general commission of inquiry.

Hon. J. W. Pickersgill (Secretary of State): I have received an interim report which I got last week. I have not a copy of it right here at the moment, but if hon. members would be interested I would be glad to make it available and even to lay it on the table if that is the wish of the house.

[*Later:*]

Mr. Pickersgill: Before Your Honour proceeds to private members' business I wonder if I might have the permission of the house to revert to motions in order that I may table a document which was asked for earlier by the hon. member for Port Arthur.

Mr. Churchill: What document is it?

Mr. Pickersgill: It is a letter signed by Mr. Jamieson, Mr. Ouimet and Mr. Stewart about their discussions on broadcasting.

Mr. Deputy Speaker: Has the hon. minister leave to table this document?

Some hon. Members: Agreed.

LABOUR CONDITIONS

CAPE BRETON HIGHLANDS NATIONAL PARK—INQUIRY AS TO WINTER WORKS PROGRAM

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the Minister of Northern Affairs and National Resources. In view of the serious unemployment situation existing in Inverness and Victoria counties, in which the Cape Breton Highlands national park lies, can the minister advise if a winter works program is planned for this coming winter? If so, how soon would it commence?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): If my memory serves me correctly I think there is a winter works program for allocation in that park. It will be announced very quickly.

BRANTFORD, ONT.—DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to direct a question to the Minister of Industry. In view of the answer he gave to a question I asked yesterday concerning the possibility of declaring the Guelph-Kitchener-Galt district a distressed area, and in view of the decision of a company to move from Guelph to Brantford, would he give an answer to this question within the next week?

Hon. C. M. Drury (Minister of Industry): Yesterday I undertook to give consideration to the proposal made by the hon. member. I do not believe he would wish to press for a hasty or ill considered answer. I have given my undertaking to provide consideration and an answer, and this I will do.

CRITERIA USED FOR DESIGNATION OF DISTRESSED AREAS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I would like to ask the Minister of Labour a question. Can he tell the house why in the establishment of the criteria for the designation of depressed areas it was decided that an area must have been depressed for eight years before being entitled to government assistance? Does the minister want to indicate that it takes eight years before one can die of hunger in any area?

REPORTED DELAYS IN IMPLEMENTING CERTAIN PROPOSALS

On the orders of the day:

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I wish to direct another question to the Minister of Labour, since he did not answer the first one. Can he tell us why his department waited such a long time and is still waiting to release information that would enable contractors to take advantage of the planned and announced forms of aid, such

as the payment of 50 per cent of the salary to people 45 and over, as well as the $500 bonus to people having a house built in the winter months? Why did he wait so long before giving information in that regard?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, with respect to the winter house building program there has been no delay whatsoever. The details were announced some weeks ago, and if the hon. gentleman had been following the press he would have noticed the advertisements have for some time been placed therein giving the details of this program and giving individuals the source of further information on the program.

With respect to the older workers program, this is not to come into effect until November 1 and already sufficient detail has been made available and further information will be made available at the appropriate time and in the appropriate way so that interested employers may take advantage of this forward looking step.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Speaker, I wish to ask a supplementary question. Does the Minister of Labour intend to send those releases and information to local unemployment insurance offices, since the officials themselves are worried because they have not reached them yet?

[*Text*]

Mr. MacEachen: Mr. Speaker, I am sure the officers of the unemployment insurance commission are fully apprised of this program, because they have requested additional staff. In order to implement these programs, this request has been approved by the government.

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask a related question of the Minister of National Revenue and ask him whether the $500 bonus, if it is collected by individual people, will be treated as income and subject to income tax, or will it be exempt from income tax.

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, I would prefer to take that question as notice.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I have a supplementary question for the Minister of Labour. Is the minister putting out a pamphlet outlining the qualifications necessary in order to obtain the $500 grant on these houses?

Mr. MacEachen: Mr. Speaker, that kind of question ought to go on the order paper.

[Mr. Lessard (Lake St. John).]

VETERANS AFFAIRS

INQUIRY AS TO LETTER IN "VETERANS ADVOCATE"

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, a paper called *The Veterans Advocate* published an open letter to the minister in the August edition. A report in the September edition states they received no acknowledgment from him. May I ask the minister now if he received *The Veterans Advocate* for August, and if he has replied to the very reasonable request made by the veteran author of that article?

Hon. Roger Teillet (Minister of Veterans Affairs): I do not know to what the hon. gentleman refers, but I will check to see if there was a letter. I do not recall reading it.

HOUSING

EFFECT OF PROVISION FOR DIRECT LOANS BY C.M.H.C.

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to direct a question to the Minister of National Revenue who is also responsible for the operations of Central Mortgage and Housing Corporation. In view of the rapid withdrawal of private mortgage lenders from the house building field and the announcement that Central Mortgage and Housing Corporation will make available $80 million for house construction, can he tell me how many housing units this would represent, and whether he feels this is sufficient for the needs of the house building industry across Canada?

Hon. J. R. Garland (Minister of National Revenue): Without going into a debate on the orders of the day, I believe that the action I announced on Monday, a week ago yesterday, for direct lending will be sufficient to make up for any withdrawal by the private lenders from the field. This is the purpose of the exercise. Action was taken, rather than sitting around waiting for something to happen, because we wanted to make sure our winter program for house building would continue with all possible speed.

Mr. Starr: May I ask a supplementary question. I wonder if the minister would mind letting the house know how many units this $80 million represents.

Mr. Garland: I am sure that the hon. gentleman is quite capable of making his own calculations. The announcement I made, if he would confine his thinking to the announcement, stated that we expected about 10,000 new units would be created.

POWER

COLUMBIA RIVER—EFFECT OF B.C. ELECTION RESULT

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, in the absence of the hon. member for Kootenay West, who would undoubtedly have asked the question himself, I will put it to the Prime Minister.

Does he think that the result of yesterday's election in British Columbia will hasten the final agreement on the harnessing of the Columbia river?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I hope that the speed of these negotiations will not depend on political considerations of the kind mentioned by my hon. friend.

PASSAMAQUODDY—INQUIRY AS TO PRELIMINARY DISCUSSIONS

On the orders of the day:

Mr. Robert C. Coates (Cumberland): Mr. Speaker, I have a question for the Prime Minister. Is the Prime Minister in a position to provide the house with further details of the talks between Canada and the United States relating to the development of the Passamaquoddy tidal power?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, not at this moment, but if the hon. gentleman will put his question on the order paper I will be glad to look into it.

SHIPPING

COASTAL TRADE—INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to put a question to the Minister of Transport.

Does his department intend to amend the Canada Shipping Act, with a view to limit coastal shipping strictly to ships built and registered in Canada?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): I am sorry, but it is not possible to reveal the contents of proposed legislation in advance. The government's decision on that matter will be announced in due course.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

REPORTED REACTION OF DIRECTORS TO REAPPOINTMENT OF PRESIDENT

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): I have a question for the Minister of Transport. Has he received any indication that several members of the board of directors of Canadian National might resign if Donald Gordon is reappointed and that several others might resign if he is not reappointed?

HOUSE OF COMMONS

WELCOME TO MEMBER FOR SASKATOON ON RETURN TO HOUSE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, with your permission, and on behalf of all members of the house, I should like to welcome back into our midst our very valuable member from Saskatoon.

Some hon. Members: Hear, hear.

Mr. H. F. Jones (Saskatoon): Mr. Speaker, through you I would like to thank the members of the house for their kindness during my recent illness, and I must say I am pleased indeed to be back here and to have been successful in avoiding the necessity of a by-election.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I was rising to answer a question, but before doing so I would like to say that from this side of the house we warmly join in what was said by the hon. member for Grey-Bruce.

INQUIRY AS TO TRANSLATION OF WORK BY BEAUCHESNE

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Secretary of State. Could the minister inform the house whether any progress is being made at present on the translation of Beauchesne into French?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I do not know that I have any information on this subject but I will be glad to make inquiries and find out. I should perhaps remind hon. members that Beauchesne's learned work is, after all, not an official publication.

Inquiries of the Ministry

PARLIAMENT HILL

COLLECTION OF OVERPAYMENTS TO CHAR STAFF

On the orders of the day:

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I would like to answer a question which was put to me yesterday by the hon. member for Carleton, and to say that, thanks to the speedy intervention of Your Honour, I understand the hardship imposed on the charwomen is now going to be ameliorated.

PUBLIC SERVICE

INQUIRY ON PROGRESS RESPECTING BILINGUALISM

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, my question is intended for the Secretary of State. Could the minister tell us what progress has been made with regard to the royal commission on bilingualism within the federal civil service which he had promised to set up before the summer recess last August?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I may say I drew this matter to the attention of the civil service commission immediately after the discussion we had in the house, and I have asked them to let me have whatever they can by way of interim report on the matter, so that it can be presented to the house. I hope to have it at an early date.

CANADIAN CENTENNIAL

INQUIRY AS TO SALARY OF COMMISSIONER

On the orders of the day:

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is intended for the Prime Minister. When the hon. gentleman announced the appointment of the new general commissioner for the 1967 world exhibition, he did not mention the indemnity to be paid to the incumbent. Could he tell the house whether the new commissioner and his assistant will receive indemnities of $75,000? Will such indemnities be paid to the commissioner and to his assistant?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I cannot answer that question.

[Mr. Pickersgill.]

INCOME TAX

QUEBEC—REPORTED DELAY IN MAKING REFUNDS

On the orders of the day:

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, I should like to direct a question to the Minister of National Revenue (Mr. Garland). Have steps been taken within his department to avoid undue delays in making refunds of overpaid personal taxes?

[*Text*]

Hon. J. R. Garland (Minister of National Revenue): I wonder if the hon. gentleman would be kind enough to indicate to which tax he is referring.

Mr. Beaule: Income tax.

Mr. Garland: Mr. Speaker, I would like to thank the hon. gentleman, because it gives me an opportunity to reply to the question posed to me yesterday by the hon. member for Berthier-Maskinonge-Delanaudiere (Mr. Paul) when he asked me to inform the house of the reasons for an alleged delay in making refunds of overpaid income tax for 1962 to taxpayers in the Montreal district, and further whether the government would consider paying interest on such delayed refunds.

I find, on inquiry from my officials, that less than 6,000 taxpayers in the Montreal district have yet to receive their refunds. Since this represents less than 1 per cent of the number of refund claims filed this year with the Montreal office of the taxation division, I do not believe there has been any undue delay in processing them. I can assure the hon. member who asked the question yesterday that this small number of cases remaining will be cleared up before the end of the month.

With regard to the second part of the hon. member's question, I am pleased to inform him that the law already provides for the payment of interest on overpaid income taxes, provided they amount to at least $1.

REDISTRIBUTION

INQUIRY AS TO INTRODUCTION OF LEGISLATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State. In view of the minister's concern a year ago that parliament get on with the appointing of a commission to deal with the redistribution of seats in the

House of Commons, can he say when it is the intention of the government to bring this measure before parliament?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I hope it will be possible to arrange an informal conference of members representing all parties in the house with a view to discussing the best and the most expeditious way of dealing with the problem. I would like to have that arranged at the earliest possible moment, and I will have some suggestions to put forward at that time.

Mr. Knowles: As a supplementary question, is it intended that the next redistribution be done by an independent commission, or is there anything to the report that parliament might do it once more itself?

Mr. Pickersgill: I pray heaven, since all parties in the house are committed to having this done by an independent commission, that there will be no backsliding in any part of the house.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, I would like to ask a question of the Minister of National Health and Welfare. Although in the past there have been reasons to suspect roots of national socialism in the province of Quebec, does the minister still foresee any grounds to accuse the Lesage government of "nazi to be"? If not, would she be prepared to deny her previous statement?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I thank the hon. member for the opportunity which is given me to deny that I have made such a statement at any time to anyone.

TRADE

REQUEST FOR DEBATE ON GOVERNMENT OBJECTIVE

On the orders of the day:

Mr. H. F. Jones (Saskatoon): Mr. Speaker, I would like to ask the Prime Minister a question. In view of his widely advertised objective of the creation of an Atlantic community, and in view of the equally widely advertised but diametrically opposed role for Canada as a world trader advocated by the Minister of Trade and Commerce, would the Prime Minister arrange for an early debate on this question in order that the fundamental difference of opinion in the cabinet may be resolved or clarified?

Right Hon. L. B. Pearson (Prime Minister): Of course, Mr. Speaker, there is no such difference of opinion, fundamental or otherwise. As to when debate in which these points of view, which are in accord with each other, can be brought before the house, the hon. gentleman and his friends may have an opportunity at the first supply motion.

TRANS-CANADA AIR LINES

INQUIRY AS TO BILL TO CHANGE NAME

On the orders of the day:

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I would like to direct a question to the Minister of National Health and Welfare. Will the minister present, as a member of the cabinet, the private bill she presented during the previous session as a private member regarding the change of name of Trans-Canada Air Lines for a bilingual expression meaning Air Canada?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I do not think it is normally the practice for a minister to do that, but I refer my hon. friend to the list of private members bills, where he will see one in identical language to the one I submitted, which has been submitted by an hon. member on this side of the house.

ROYAL CANADIAN MOUNTED POLICE

APPEAL BOARD TO DEAL WITH SECURITY RISKS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Justice and ask him what progress is being made in setting up an appeal board to hear the cases of persons who feel they have been unjustly labelled as security risks. The minister undertook to look into this matter about three months ago or more, and I wonder what progress has been made.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, it is true that I did undertake to look into this matter and this I have done, together with my officers and officers of other departments. I am sorry to tell the house that up until now I have not been successful in finding a formula; neither have my officers been able to advise me upon a formula which would at the same time protect the public interest and provide a judicial or quasi judicial appeal. Meantime, if any hon. members have complaints to make they might make them to the responsible minister or to myself, and I shall continue my study to see if a satisfactory formula cannot be found to meet the situation.

Mr. Douglas: Mr. Speaker, a supplementary question. May I ask the minister this. Surely he does not think that matters of this importance regarding justice for the citizens of Canada should be dependant upon their

being able to get some member of parliament to take up their case with the minister? Surely the minister can find some better means of serving this purpose than that.

Mr. Chevrier: Mr. Speaker, I think I made it clear on an earlier occasion during a discussion of this matter that if any hon. member felt that he or any of his constituents was aggrieved I knew of no other method by which he could dispose of the matter than by taking it up with the responsible minister. Again I offer those circumstances pending the time when I hope it will be possible to find a formula which will meet the position.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is supplementary to that asked the Minister of Justice by the hon. member for Burnaby-Coquitlam. Have the minister and his advisers considered a formula similar to that in effect under the defence of Canada regulations, where a judicial tribunal investigated matters of security to the satisfaction, I believe, of the government at that time?

Mr. Chevrier: I can assure my hon. friend that that formula is one of the things we have considered, together with other aspects of the case, including a formula such as that which is prevalent in the United Kingdom at the present time.

OLD AGE SECURITY

PROVISION FOR INCREASE IN AMOUNT OF PAYMENT

The house resumed, from Monday, September 30, consideration in committee of the following resolution—Miss LaMarsh—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the pension under the said act from $65 a month to $75 a month, effective October 1, 1963, and to increase the rate of old age security tax from the present rate of 3 per cent with a maximum of $90 to a rate of 4 per cent with a maximum of $120 on the taxable income of individuals, applicable to the 1964 and subsequent taxation years.

Mr. Diefenbaker: Mr. Chairman, I do not intend to traverse the ground which was covered by the hon. member for Perth, but there are one or two observations I should like to make with regard to this resolution, which in itself represents a complete about face on the part of the government.

Indeed, it is difficult to understand the attitude taken by the government, particularly when in the month of July a plan was available. The Canada national pension plan was completed, and all that was required was its passage through parliament. Yet in the intervening months things have changed; alterations have taken place in the thinking of the government. That is not new. It is something we have learned to expect since this government has been in office. The haste which marks the introduction of legislation is equalled only by the lack of repentance consequent upon revision or even withdrawal, in whole or in part, of such legislation. This is just another example. What a sorry mess it has been.

I think one of the most interesting phases in the spectacle had to do with the President of the Privy Council, who made a speech the other day which is reported in *La Presse* of September 28. He requested that France should send some planners to Canada in order to assist the Canadian government, and that Canada in return would send accounting and fiscal experts to France. That, I think, was the capsheaf so far as this government is concerned.

However, I want to make a few references to statements made by the minister of health. They have certainly had the planners here. They have had planners in every direction. They are planning today, and then planning tomorrow to get out of the plans which are today determined upon.

The minister of health and welfare said, as reported on page 3038 of *Hansard*:

You will have realized, Mr. Chairman, that the introduction of this resolution was made both necessary and urgent by recent developments respecting the Canada pension plan. It was originally the government's intention that the $10 increase in the old age security benefit be paid out of contributions to the Canada pension plan. When this house recessed two months ago, it was still our announced intention to present the necessary legislation at as early a date as possible.

Then, consequent upon the decision of the government of Quebec to forego the Canada pension plan in favour of a contributory plan of its own, it became evident to one and all that the part of the federal plan providing an increase in the flat rate pension had to be separated from the rest of the scheme.

I remember, Mr. Chairman, some of the statements made at that time, and I think they should be recalled. The minister of health and welfare said, as reported on page 2343 of *Hansard*:

While this government is committed to this increased payment at the earliest possible date, it is committed not to pay it out of general revenue but from a flow of contributions under the new contributory pensions scheme.

Well, Mr. Chairman, I am sure almost anyone would find it most difficult to follow the government in its changing attitude and its tortuous courses. I was interested to hear the minister deny today that she had ever made any statement which was adverse to the premier of Quebec. Yet it was reported in all the press on September 28. The storm broke only yesterday or today in *Le Devoir* and some of the other papers in the province of Quebec. What the hon. minister denies having

said was in quotations, and those quotations are as follows. I know she did not say it, but I think the record should be clear as to what she did not say:

> Tremendous power could be wielded by a government with so much money.

That would be the government of Quebec if it adopted this plan of a fund out of which payments would be made.

> By controlling investment capital it could control business. We could end up with a sort of national socialism like they have in nazi Germany and not much free enterprise.

An hon. Member: Shame.

Mr. Diefenbaker: The article goes on:

> Miss LaMarsh, who has established a reputation for brutal candor, said the Lesage portable pension scheme "could finish the private insurance business in Quebec if he has large levies".

Naturally a statement such as that has aroused interest, and there have been some editorials on it. It was not said, and what the minister tells us in that regard is, of course, accepted. But it just shows how far astray the press can go when it even ascribes quotation marks to statements purporting to have been made but which, the hon. lady indicates, were not made.

Then there is another interesting aspect of this question. We wonder why the change is now being proposed. Somebody suggested that a committee be set up by parliament to look into the Canada pension plan. If ever there was a botch brought before parliament it is the Canada pension plan in its present form. It has not been thought through. We have been told of the degree to which economists have worked on this. All I can say is that nobody has been able to find out who those economists were, because the civil service were surprised when they found the concoction which had been brought before parliament.

Somebody suggested a committee. We want to know the reason for the change. Why this sudden transition? The Prime Minister said in his fireside chat that he was willing to set up a committee. The Minister of National Health and Welfare said, as reported in the *Globe and Mail* on Friday, that a parliamentary committee on pensions would be made up of members lacking the competence to discuss such a matter.

Some hon. Members: Shame.

Mr. Diefenbaker: They lacked the competence to discuss the matter, she said. Now they have produced this alternative. I do not intend to say very much in this regard, but remember what the promise was; "old age pension increases without additional taxation". I know it is farcical. There was a pretense that somehow or other this thing could be set up under a Canadian pension plan and before ever sufficient money came in to be disbursed, a disbursement of the funds could take place without costing anybody anything. Well, that is another example of promises, in the light of experience such as this, being found to be without foundation.

As far as the present resolution is concerned—and I do not intend to speak at length, as I said a moment ago—the changes of attitude on the part of the government, the upside down ways in which this administration is acting, certainly had their effect in the Ontario elections.

Mr. Pearson: Tell us about Mr. Fulton.

Mr. Diefenbaker: At the moment I am dealing with a problem which makes some of you feel awfully sick over there. I am glad the hon. member for Carleton is in the house, because he is the one who gave me the idea that the major reason for what happened in Ontario was the mess which the present government has made of various matters which have come before it. As reported in the press the hon. member for Carleton, when asked for comment, gave reasons why these things happened, and the article says:

> He also felt a 'series of mistakes' by the federal Liberals (budget, construction industry, pensions) proved costly to the local provincial Liberal candidates.

That is the problem and, the hon. member doesn't know the half of it. Now look at the somersault they have turned on the pension question. Look at what has happened since the momentous events in the province of Ontario. The promise was—and I shall not go back on what I said on July 18—the promise was a minimum $10 increase. True enough, when one reads the entire advertisement one finds in the small print near the bottom that they were going to set up a plan for the purpose of bringing a national pension scheme into effect.

I am surprised that they did not consult with the provinces beforehand. I am more than surprised that Mr. Lesage's plan was not made known to the government before they brought in this legislation in July. I say this because there is a nice spirit of co-operation here—or was, until the other day.

Coming back to the resolution directly, we ask ourselves now, is the promise going to be carried out? Is the payment going to be made immediately following the election? That is what the old people across Canada believed. We endeavoured in the month of July to bring an amendment before the house. We brought it down and there was no ruling thereon. All of that is now a thing of the past. Today we have before us a plan whereby

$10 is to be paid, a plan whereby the promise that there would be no additional taxation is being completely changed.

As a matter of fact, Mr. Chairman, as you will recall, the promise was that the payments would be made as a result of levies on industry, on labour, and in the manner indicated in accordance with the plan previously announced. Now every person in this country who earns wages is to be taxed. This comes as passing strange from a government which was going to bring about a reduction of taxation; no increases. The first thing it does when it is circumvented as a result of its failure to consult the provinces in advance is to bring in this legislation in the form of a resolution. Why, one could almost call it the second of the budgets brought down by this government. It provides for taxation, and it places the house in the position of either accepting the taxation or of being misinterpreted as being opposed to the $10 increase.

That is the reason the resolution is phrased in this form. We have had experience, since the present government took office, in dating things back to April 8, and I feel the committee would like the opportunity to ensure that the promises and undertakings made to the old people of this country by the present government will in fact be carried out. I therefore move, seconded by the hon. member for Perth (Mr. Monteith):

That the said resolution be amended by striking out the words "effective October 1, 1963" in line three thereof, and substituting therefor "and this house asks that the government give consideration to making the payment of such additional pension to commence as of April 8, 1963".

Mr. Pickersgill: Mr. Chairman, before Your Honour puts the motion may I say I do not think there is any need for an extended debate but I do want to ask Your Honour to consider whether or not the amendment is in order or is simply a colourable device to ask the house to do something which no one who is not actually a minister of the crown has the constitutional right to do. We know that the right hon. gentleman who moved the amendment has not got used yet to being on the other side of the house—

Some hon. Members: Oh, oh.

An hon. Member: What about your promises?

Mr. Pickersgill: —but I submit to Your Honour that this would impose an additional charge upon the exchequer or it means nothing at all. If it means nothing at all it should not be before the committee and if it means an additional charge, that cannot be done without a message from the crown.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Chairman, I will answer that immediately. No additional charge will be imposed by the wording we have used namely, "this house asks that the government give consideration to making the payment of such additional pension to commence as of April 8, 1963". We do not direct them to do it. We suggest that they give consideration to it. That is all we are asking, and I say that the amendment comes within the rules.

The Chairman: The amendment proposed by the right hon. Leader of the Opposition is, of course, very close to the one moved on July 18 last on which your chairman has had the opportunity to prepare a ruling, although I have never had the occasion to submit it to the committee. At that time I gave serious thought to the problem and since then I have continued to give serious thought and consideration to this type of amendment.

I must say that my feeling is very much along the lines of the argument and thoughts expressed by the Secretary of State. If this amendment means something it must be a charge on the treasury and if it means nothing I am in agreement with the suggestion of the Secretary of State that we have nothing on which to rule. If it means something it is a charge on the treasury, and on that basis I have to rule, with great regret, that the amendment is out of order.

Mr. Churchill: Mr. Chairman, I respectfully appeal your ruling.

Mr. Deputy Speaker resumed the chair, and the chairman of the committee made the following report:

The question is as follows: During discussion in committee of the whole on a resolution to amend the Old Age Security Act, the Leader of the Opposition moved the following amendment:

"That the said resolution be amended by striking out the words 'effective October 1, 1963' in line 3 thereof and substituting therefor 'and this house asks that the government give consideration to making the payment of such additional pension to commence as of April 8, 1963'."

The chairman ruled that the amendment was out of order on the ground that if there is substance to the amendment as proposed it is a charge on the treasury and could not therefore be proposed at this time.

From this ruling, the hon. member for Winnipeg South Centre (Mr. Churchill) appealed. Is it the pleasure of the house that the chairman's ruling be confirmed?

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

Division

YEAS

Messrs:

Addison
Armstrong
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Bechard
Beer
Benidickson
Benson
Berger
Blouin
Boulanger
Byrne
Cameron (High Park)
Cantin
Cardin
Caron
Carter
Chapdelaine
Chevrier
Choquette
Chretien
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Drouin
Drury
Ethier
Eudes
Favreau
Forest
Forgie
Foy
Francis
Garland
Gelber
Gendron
Girouard
Godin
Granger
Gray
Groos
Habel
Haidasz
Hahn
Harley
Hellyer
Honey
Jewett, Miss
Kelly
Klein
Lachance
Laing
LaMarsh, Miss
Lamontagne
Laverdiere
Leduc
Lessard (Lake St. John)
Loiselle
Macaluso
Macdonald
MacEachen
MacNaught
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Marcoux
Matheson
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nicholson
O'Keefe
Olson
Otto
Ouellet
Patterson
Pearson
Pepin
Pickersgill
Pilon
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Sauve
Tardif
Teillet
Temple
Thompson
Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—111.

NAYS

Messrs:

Aiken
Alkenbrack
Balcer
Beaule
Belanger
Bell
Boutin
Brewin
Cadieu (Meadow Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Chatterton
Churchill
Clancy
Coates
Cooper
Danforth
Diefenbaker
Dinsdale
Dionne
Doucett
Douglas
Enns
Fane
Fisher
Forbes
Gauthier
Grafftey
Gregoire
Gundlock
Hales
Hamilton
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Jones
Jorgenson
Kennedy
Kindt
Knowles
Lamb
Laprise
Latulippe
Loney
MacInnis
MacLean (Queens)
Macquarrie
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martin (Timmins)
Martineau
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nugent
Ormiston
Pascoe
Paul
Perron
Pigeon
Plourde
Prittie
Pugh
Rapp
Rheaume
Ricard
Rondeau
Scott
Simpson
Smith
Southam
Starr
Stefanson
Stenson
Valade
Watson (Assiniboia)
Webb
Webster
Weichel
Winch
Winkler—90.

Mr. Asselin (Notre Dame de Grace): Mr. Speaker, I was paired. Had I voted I would have voted to sustain Your Honour's ruling.

Mr. Cashin: Mr. Speaker, I was paired. Had I voted I would have voted to sustain Your Honour's ruling.

Mr. Cardiff: Mr. Speaker, I was paired. Had I voted I would have voted against your ruling.

And the house having resumed in committee:

The Chairman: Order. House again in committee of the whole on a certain proposed resolution to amend the Old Age Security Act.

Mr. Thompson: Mr. Chairman, it was not my intention to speak on the resolution as there will be another opportunity to discuss the subject matter when the bill is brought before the house. However, I think it is necessary to make a few comments at this time because it seems to be the order of the day in this house to try to confuse the issue before us by covering it over with something else. The matter we have just voted on concerned an amendment which was moved by the leader of the Conservative party to the effect that consideration should be given to making the payment of $10 to our pensioners and senior citizens retroactive to the day the government took office. We sustained your ruling, Mr. Chairman, that this was out of order, as this was the basis of the vote we have just taken.

The real issue that has concerned many of us at this time is whether or not the payment of this $10 should be made retroactive or whether it should take effect as of October 1.

An hon. Member: That is what you have just voted on.

Mr. Thompson: Personally, I think that the government should give consideration to whether this payment should be made retroactive to April 8.

Some hon. Members: Oh, oh.

Mr. Churchill: Sit down.

Mr. Thompson: May I again make it very clear that we voted on the chairman's ruling and nothing else.

Some hon. Members: Oh, oh.

The Chairman: Order.

Mr. Thompson: Mr. Chairman, would you please ask some of the members of the Conservative party at least to be quiet so that I may resume my speech.

The Chairman: May we please have some order so that we can give the hon. member who has the floor the opportunity to be heard.

Mr. Thompson: The much talked about and publicized Canada pension plan has been running into trouble. Basically the trouble has been over the question of interference with provincial rights. This has caused dissension which runs very deep right across public opinion in Canada, and has resulted in the immediate measure which has been brought forward to meet the needs of our senior citizens and our pensioners of two wars. This is what we are dealing with today.

There is no question whether the intent of this resolution is or is not right. It is right simply because, with the cost of living increasing right across the board, no one can be expected to have a decent standard of living on $65 a month. Therefore, the raising of this amount by $10 a month is a correct and logical step, and I think in fairness to our senior citizens and pensioners concerned it is only right that we should expect the government to make it retroactive to the date when they took office.

The real problem concerned here is simple. It is, where will the money come from? The suggestion has been made that it should be raised from revenue which will be obtained from the increase in personal income taxes. We in the Social Credit party have suggested over and over again, and we emphasize it once more, that if we could use our own Bank of Canada to finance in particular the capital development of our public needs—I am thinking of what we have termed social capital—and could bring in some of the measures we have spoken about many times, we would be able to save enough money presently being spent because we do not make use of the Bank of Canada as we should. Then the consolidated revenue fund would have sufficient in it to take care of our pensions. If we look at the problem squarely for what it is, and in order to bring about a greater degree of equilibrium between the money which comes into the treasury and that which is paid out, hon. members will understand that we cannot continue to go along as we are. If we refuse to do that, the only alternative is to increase taxes and I do not think the tax levy can go very much higher without bringing real hardship upon the very people we are trying to help by means of this resolution.

There are other means which might be suggested whereby the revenue necessary to finance these proposals could be found. I have in mind a so-called secret report which was prepared for the former prime minister and released by the Minister of Finance on May 8—a report which was printed in a number of our newspapers. I am thinking in particular of the June 18 issue of the *Western Producer* published in Saskatoon, where reference is made to an immense untapped source of revenue, enough to finance this $10 increase and, indeed, a greater increase than that, not only from October 1 but from April 8. These untapped resources are to be found in undistributed shareholder dividends. One of the major loopholes in our taxation system at the present time is the way in which company profits are not distributed as dividends but are reinvested, thus increasing the equity held by shareholders in a company. In due course the shareholders reap a capital gain from the sale of their shares and make a tax-free profit. The estimated loss, to the federal treasury, according to the report contained in the June 18 issue of the *Western Producer,* is in the region of $150 million a year. If only the government would face up to the inadequacies and inequities of our taxation system, this would be found a much more lucrative and much fairer source of capital for use in financing such proposals as we have before us at the present time.

I mention these as examples of the type of legislation which the government could be bringing before the house—legislation which would not only assist in its desired objective of bringing about a balanced budget, but which would also lead to a more equitable tax load as far as our people are concerned.

I do not intend to continue at any great length. I do, however, express the view that in meeting the need expressed in this resolution—a resolution to which we give our wholehearted support—the government should be considering various ways and means of

meeting these and other expenditures other than by imposing a greater tax load on the individual taxpayer. Again, I urge the government to give careful consideration to making the $10 increase in these pensions retroactive to April 8.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I wish to say only a few words on this resolution.

This last vote has made perfectly clear that the government refuses to give a retroactive effect to this raise to government pensioners. If we are to get that pension increase, it is because of the pressures exerted by our leader and by us who sit on this side of the house, because otherwise, government pensioners would not get that increase of $10 per month.

I hope that the government will reconsider its position and grant retroactivity to this pension raise to April 8, in order to be logical with itself and carry out the promises made during the last few weeks.

Mr. Chairman, we introduced an amendment which was turned down by the government, but in face of the pressures exerted by the official opposition and by the Canadian people, the government is forced to retreat, and has to comply with our demands and grant that pension raise, I strongly advise the minister, if she wants to be able to face the electorate again, to grant retroactivity to this increase as from April 8 last.

Mr. Chairman, we on this side of the house, were amazed and astonished by the statements made recently by the Minister of National Health and Welfare (Miss LaMarsh) against the province of Quebec, against the people of that province. Clause 94(a) of the constitution stipulates that in our provinces—

[*Text*]

Miss LaMarsh: I think the hon. member was present in the house when I rose this afternoon and denied having made the statement attributed to me. I denied having said anything of that kind to any person.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I have high regard for the opinion of the minister, but her statement came as a great surprise to me as all the newspapers throughout this country have reported the statements that she has made to the *Globe and Mail* and that have been published in all Canada's French newspapers.

[*Text*]

Mr. Pickersgill: I am rising on a point of order. It is a well-known rule of this house, and surely, an experienced member like the hon. member for Joliette-L'Assomption-Montcalm should know it, that when an hon. member makes a statement about any statement he or she may have made to somebody else we have an obligation as gentlemen to accept the hon. member's word.

[*Translation*]

The Chairman: I am sure the hon. member understands the situation and will take into consideration the suggestions which have just been made to him.

Mr. Pigeon: Mr. Chairman, I merely ask the minister to tell the house which one of her statements I quoted, and I shall then withdraw the words I credited to her.

The Chairman: Order. The hon. member must understand that this is not the question period. If he has a statement or a speech to make, he should make it. If he decides that he has nothing more to say, I shall recognize another member. But he cannot require another member to make a statement in reply to a suggestion he has made himself.

[*Text*]

Mr. Churchill: With respect, Mr. Chairman, during the resolution stage it is altogether permissible to ask questions of ministers.

The Chairman: The type of question to which I was referring is a question such as was asked by the hon. member. He said he is not in agreement, possibly, with what had been declared by the minister and he wanted the minister to reiterate what she had already said.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I have not quoted as yet any of the minister's words but I was just going to do so. Now, I will give the minister the extracts from the French newspapers and from all this country's newspapers. Should the minister believe—

Mr. Caron: She has denied it.

Mr. Pigeon: What has she denied?

Mr. Caron: She has categorically denied it.

Mr. Pigeon: What is it she has denied?

[*Text*]

An hon. Member: Five o'clock.

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

Private Bills

PRIVATE BILLS

THE GOOD NEWS BROADCASTING ASSOCIATION OF CANADA

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, this is the second time this bill has come before the house and the events leading up to second reading of the bill are somewhat unusual, to say the least. The house will recall that the bill was passed by the Senate at the session before this one and this was repeated in the spring session of the twenty sixth parliament. The bill was actually read a second time in the house in July of this year but because the preamble was not carried the bill was almost killed in the house.

I have a motion I will present at the end of my remarks seeking to have the bill referred again to the standing committee. Does the Speaker wish me to make my motion at this time or may I make a few additional comments?

Mr. Deputy Speaker: I think it would be in order for the hon. member to make his comments and then move his motion.

Mr. Enns: I think the reason that there remains an astounding and very unfortunate lack of understanding of the main purpose of the bill lies in the fact that not sufficient evidence was provided at the last hearing before the miscellaneous private bills committee, and the reason for this may be explained by the fact that there seemed to be no objection to the bill. Several questions were asked in a routine way and it seemed that the bill would be accepted. In fact, every item was discussed clause by clause and the bill was approved by the committee. I should add that certain amendments were accepted by the committee and these too were passed.

In view of this the sponsor did not feel that additional comments or explanations were necessary at the time, so that no further explanations were given prior to the question being put by the chairman. When the chairman did put the question the bill was defeated by a narrow margin.

I feel this was most unfortunate and arose because of the lack of understanding of the main aim of the bill which really is to promote the dissemination of spiritual values by means of radio broadcasting. The sponsors of the bill have in mind the various uses to which radio broadcasting is now put, for instance, to promote the use of soaps, detergents and deodorants, and they believe there is another purpose for which radio broadcasting can be used, the discussion and promotion of spiritual values in this and other countries.

[The Chairman.]

This is the essential purpose of the bill. The sponsors have asked for the incorporation of an association to be known as The Good News Broadcasting Association of Canada. I should point out that the parent body of this association is American and has been operating for some 24 years from Lincoln, Nebraska. Their programs seem to be well received by the people across the line. The association is supported by voluntary donations from people who derive spiritual benefit and wish the work of the association and the program to continue. In the United States the association buys radio time at commercial rates. This allows them to buy time of the optimum value and thus they are not restricted to that which stations might donate for charitable purposes.

The association is actually purchasing radio time at commercial rates and the funds collected by the association are used essentially for this purpose. There are various other explanations and additional information I should like the miscellaneous private bills committee to have. For the purpose of bringing in further witnesses to speak to the bill I respectfully move:

That Bill S-15 entitled "An act to incorporate The Good News Broadcasting Association of Canada" be recommitted to the standing committee on miscellaneous private bills for reconsideration.

This motion is seconded by the hon. member for Wetaskiwin (Mr. Moore).

Mr. Grant Deachman (Vancouver Quadra): Mr. Speaker, I am glad to hear from my hon. friend opposite that additional witnesses are to be brought before the miscellaneous private bills committee when the bill to incorporate The Good News Broadcasting Association of Canada is discussed there. When the bill was brought before that committee prior to the recess some of its features were discussed, giving rise to considerable doubts in the minds of members of the committee whether or not the government of Canada should involve itself in the passing of a bill of this kind. It was for these reasons that it was returned to the house with the report that the preamble was not proven.

I do not propose to oppose the bill at this time but I wish to indicate that I am not in favour of the principle of the bill as it was brought before the private bills committee in the period before the recess. When additional witnesses do come before that committee I hope they will be able to provide further explanations to satisfy the committee that the passing of a bill of this nature is a legitimate function of the parliament of Canada and not properly a function of a provincial legislature or some licensing body within a province.

Basically the reasons that I and other members of the private bills committee hesitated before to approve the bill were these: The Good News Broadcasting Association of Canada purported to be an association—

Mr. Churchill: On a point of order, Mr. Speaker, I do not like to interrupt the hon. member, and the arguments he is advancing may be perfectly sound, but are we not simply considering a motion to recommit this bill to the standing committee, rather than considering the bill itself, which is not before us?

Mr. Deputy Speaker: Yes, the hon. member is quite right. We are considering a motion to recommit this bill and the remarks of the hon. member should be limited to that point and not deal with the substance of the bill, which has already been discussed in the house.

Mr. Deachman: With respect, I must be able to discuss the reasons for not approving of the bill in principle at this time.

Mr. Deputy Speaker: That is not my opinion. I believe the hon. member should limit himself to considerations relating to the advisability of referring the bill to the committee.

Mr. Deachman: I will stay with the question of referring the bill to the committee. Certainly a majority of those who listened to arguments in favour of The Good News Broadcasting Association of Canada at the time the bill was brought before the committee prior to the recess did not approve of the bill as it was presented, on the basis of the facts given at that time. It was for this reason that the bill was returned to the house with the report that the preamble was not proven. It is for this reason I am glad to hear that additional witnesses will be brought before the committee. When my hon. friend is discussing the matter with the witnesses who will be brought before the committee I hope he will suggest to them that they indicate to us what the purposes of The Good News Broadcasting Association of Canada are in regard to a single proprietorship, or whether or not the association is in fact a voluntary one, of some kind, as is usually the case with regard to charitable associations.

The Good News Broadcasting Association comes before the House of Commons for incorporation as an association, not as a proprietorship. However, when the bill was discussed in the private bills committee, this association gave every evidence of being a single proprietorship, and a profitable one indeed. It is this aspect of the matter to which we objected at that time in the private bills committee and which we would like to see cleared up when the witnesses return to that committee. We should like to know that we are not looking at a single proprietorship, and a profitable one, but looking at a charitable association which has the right to go out and solicit charitable gifts from the public and to account to the public for the way in which it handles the donations made to it.

These were the principal objections made in the committee and these are the reasons the bill was returned to this house. These are the reasons the committee found the preamble of the bill not proven as a charitable association, and I do not propose to agree to the principle of this bill. I hope this matter will be cleared up when the bill is referred to the private bills committee again.

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

Motion agreed to.

MADELEINE FRANCOISE HANKOWSKI

The house in committee on Bill No. SD-5, for the relief of Madeleine Francoise Hankowski —Mr. Wahn—Mr. Lamoureaux in the chair.

On clause 1.

Mr. Scott: Mr. Chairman, may I ask the sponsor of the bill several questions? This is a bill in which the hon. member for Timiskaming was very much interested when it was before the house on a previous occasion. I believe he drew the attention of the committee to the fact that there seemed to be some irregularities in procedure in connection with this bill. I wonder if those matters were looked into when the bill received consideration in the committee itself.

Mr. Wahn: As has been pointed out, certain alleged regular irregularities were brought to the attention of the committee. They were discussed and the committee decided that it was proper for the bill to be reported back to the house. There were a number of other bills of like nature which would have been held up had we not allowed this particular bill to stand before the summer recess. The committee did consider the irregularities which have been mentioned and the committee was satisfied such irregularities did not exist.

Mr. Scott: I am not going to hold up the bill in any way, but the main irregularity that worried some members was the fact that after the divorce proceeding had been commenced an objection was registered by the husband through a solicitor in Ottawa. At a later date, the objection was withdrawn by

the solicitor for the plaintiff without consultation with the solicitor who had originally entered the notice of objection. I understood that the particular solicitor has not yet been consulted on this matter. I am wondering if he appeared before the committee or if the committee interviewed him or ascertained his position on that matter?

Mr. Wahn: The committee did not interview him, Mr. Chairman, or communicate with him directly. It is possible that someone in the committees branch may have done so, but it is the right of any citizen to dispense with the services of his solicitor. My recollection is that it appeared from the record this particular solicitor was no longer representing the husband in the case, and for that reason we thought there was no necessity for the committee interviewing the solicitor in question personally.

Mr. Scott: In view of what the sponsor has said, that he has investigated the situation and is satisfied that the bill is in order, I will not raise any further objection.

Clause agreed to.

Preamble agreed to.

Title agreed to.

Bill reported.

Mr. Deputy Speaker: When shall the bill be read a third time?

Some hon. Members: Now.

Mr. Wahn moved the third reading of the bill.

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

ALLSTATE LIFE INSURANCE COMPANY OF CANADA

The house resumed, from Thursday, August 1, consideration of a motion of Mr. Ryan for the second reading of Bill No. S-28, to incorporate Allstate Life Insurance Company of Canada.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, once again we are dealing with a bill which the house finds to its liking since it has been put before us several times already and will come back to us again. I refer to the bill designed to incorporate the Allstate Life Insurance Company of Canada, an American insurance company which is 87½ per cent American-owned and only 12½ per cent Canadian-owned. That means, as we have often said in this chamber, that such a company will return to the charge and that another company will establish itself in our country, when we have no need for it.

And now, Mr. Speaker, since we are discussing that bill once again, there is one point I should like to clear up. The first time the measure was put forward here, we were against it. Now, during a televised press conference held recently, the hon. member for Quebec-Montmorency (Mr. Marcoux) stated that a representative of the Allstate Insurance Company had come to meet the member for Lapointe and that, as soon as the meeting was over, the member for Lapointe no longer wished to oppose the bill and had said: we shall let the bill pass.

In my opinion, such a statement was but an insinuation to give the impression that the member for Lapointe had agreed to let the bill pass because he had been approached by a representative of the Allstate company.

As I mentioned a moment ago, that statement was made at a press conference which was televised from 8 o'clock to 8.30 not so long ago.

I think it is quite in order, in view of the fact that a similar accusation has been made against another member, that I should have the right to put the record straight, which will take me only a minute or two at the most.

Mr. Speaker, it is true that I met an official of the Allstate company, but that was because the hon. member for Red Deer (Mr. Thompson) expressly asked me to. Moreover, the hon. member for Medicine Hat (Mr. Olson) was present at the meeting with the representative from the Allstate company.

Mr. G. C. Lachance (Lafontaine): Mr. Speaker, on a point of order. If the hon. member—

Mr. Gregoire: If insinuations have been made about me, the member for Medicine Hat will be able—

Mr. Lachance: Mr. Speaker, on a point of order. If the hon. member for Lapointe wants to rise on a question of privilege about a statement that was made by another member, I am of the opinion that he should do so before the committee on privileges and elections and should not take advantage of the fact that the bill is now being studied by the house to discuss the matter.

Mr. Gregoire: Mr. Speaker, I feel there is no need to make it a question of privilege because I wanted at the same time to deal with the bill and explain what our position will be with regard to the measure under consideration. And, right now, I am of the opinion that the debate is quite in order.

Besides, I was through explaining that point and I was going to deal with another matter.

Mr. Deputy Speaker: Am I to understand that the hon. member for Lapointe has now finished explaining the point he has just raised and that from now on he will limit his remarks to the principle of the bill now under study?

Mr. Gregoire: That is right, Mr. Speaker, I had finished.

I challenged the malicious insinuations made against me, and I say that they are false and untrue, as well as spiteful.

And now, to come back to the bill now under study, I must tell the house that we are still against it. As I have already said here, our country does not need any more American life or automobile insurance companies when it already has so many good Canadian insurance companies which have served our people so well.

We have our own Canadian companies. To my mind, we do not need any more competition from American corporations.

Mr. Speaker, I have another suggestion to make. If we refuse new insurance companies in this country, it might help keep our capital at home, more particularly at a time when we have such need of it.

The Minister of Finance (Mr. Gordon) complains of an outflow of Canadian capital to the United States and other countries. I think that is a significant factor.

It will be said that the insurance companies are going to reinvest their funds in our country. The Allstate may indeed reinvest some capital in a country like Canada. But if they put back their money in a secondary company like the General Motors, the profit they reap from such a company will be profit from a second industry, neither more nor less, which will create a second circulation of capital which will be transferred to other undertakings through another corporation in their own country.

We do not want to be misled by such promises of reinvestment in this country, because we know that ultimately, after a second reinvestment, profits are going to increase and return to the United States.

However, there is a facet of the matter which I would like to mention here. When we met the representative of the Allstate company, he asked us to let the bill be referred to the committee to explain this particular point: when an insurance company like Allstate has a Canadian charter, the Canadian employees of such a company may reap some additional benefits because, being employed by a Canadian company, they will be able to set up their own pension plan, their own retirement scheme, and obtain other advantages and benefits, instead of being just employees of one branch of an American company. At this point we are told: Why treat our Canadian employees like second-class workers in this country, like second rate employees, and not like first class personnel entitled to all the benefits which a Canadian company extends to its employees. Now, the fact should be recognized; I think that there are 600 Allstate employees in Canada. It is unfortunate for them, but we are not looking upon people employed by the Allstate company as second-rate personnel. I think that argument may be bypassed by saying that though they are employed by the branch of an American company, those employees may set up their own social security plan by forming some union of Canadian employees, even if they work for an American branch.

I think the argument that they are considered second-class employees because we do not want to give a charter to an American company is hardly valid, for we consider that they can achieve the same social security benefits by creating their own services, like pension, retirement or health insurance funds, etc.

It is not the employees of the insurance companies that we consider second class in our country, but rather the capital because we want first-class capital in our country to be above all Canadian capital. If foreign interests want to invest in a particular field in our country and that enough Canadian capital has already been invested in such a field, the foreign capital must be second-class capital.

There is free competition in this country, but I believe that in a field where Canadians are able to develop themselves and to reach the top, there should be a difference between first-class capital or Canadian capital in a particular field, and second-class foreign capital when the Canadian capital is sufficient to satisfy the business in that particular field. However, if, in other fields, foreign capital want to invest where Canadian capital is not sufficient or does not meet demand, then we could slightly modify the point of view I have just explained. But I suggest that in the field of insurance—life, automobile, fire, accident insurance—we have at the present time enough companies and that we should protect our Canadian companies, their capital, their management and their staff against an invasion by foreign-based insurance companies.

I do not know of many Canadian insurance companies trying to compete on the foreign markets. They are not allowed to do business abroad. Now, we should do the same thing in our country and we should start by giving protection to our Canadian companies. Those are the companies which later on will have

enough capital to invest not in foreign industry but in our own Canadian companies. When we start keeping our capital, our savings in Canada to invest in our country we will be in a better position to develop our economy across the country in such a way that Canada will develop to the advantage of all, to the advantage of our private companies and to the advantage of our fellow citizens.

[*Text*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, as the hon. member for Lapointe (Mr. Gregoire) has mentioned, a meeting was held between some of the officers of the company and some hon. members of the house. I was one of the hon. members, and I want the house to know that I gave no commitment either to oppose or support the bill. I gave no commitment not to oppose the bill, but I did suggest it would be desirable for the house to refer it to the committee on banking and commerce where the members of that committee, as representatives of the house, would have an opportunity to cross examine the officers of the company. In that way we could determine in detail what are the objectives and the advantages to Canada, and particularly to the employees of the company, of having it incorporated by parliament.

We know the company is operating in Canada as a subsidiary of an American company. We were told there would be some decided advantages to the employees, through profit sharing and their pension plan, if the company were to be incorporated and operated as a separate Canadian identity. I have no opinion on whether these advantages are sufficient reason for us to pass the bill. But I do agree that we ought to have an opportunity to examine the officials of this company before the banking and commerce committee. We could then make up our minds whether we wish to pass this bill. In my opinion there will be plenty of opportunity, after that examination has taken place in the banking and commerce committee, for hon. members to either pass the bill or kill it.

[*Translation*]

Mr. Gerard Girouard (Labelle): I rise once again on this bill because a lot of time has gone by since we discussed it last. I thought that the company had had time to think it over and might have provided us with additional information.

The first time I dealt with this bill was after the sudden illness of the hon. member for Lapointe (Mr. Gregoire). The hon. member for Lapointe had himself pointed out, the first time, the weakness of such a bill. And then I had to take his place. Therefore, I rose in my turn to oppose that bill.

At that time I advanced as an argument the fact that the investments came mostly from abroad and that no way was seen to force the company to invest here in Canada.

I must also admit that, during the summer recess, I received the visit of some gentlemen from that company. I met them here in Ottawa with some colleagues I could get in touch with and, in my office, with the door open and the stenographers present, we discussed the company's problem.

At that time, so that the bill could be passed by the house, the company was prepared to give the assurance that their funds would be invested in Canada. I asked them how they could give such a guarantee. The company was ready to write us a most official letter in order to prove to the house that they really intended to invest their funds in Canada and give Canadian manufactures an opportunity to benefit by them. So we would have been justified to examine the matter and see whether we could let the bill go through but today, since we have received none of the information we asked for and, since the company, having promised to write us a letter failed to do so, I find myself in the position where I must ask that the bill be held up in order to give the company an opportunity to think the situation over a little longer.

Mr. Robert Beaule (Quebec East): Mr. Speaker, if I object to the passing of this bill it is because, in my view, I have sufficient reason to do so. Here is some of the information gathered from insurance brokers concerning the operations of the Allstate Company. First of all, in the field of automobile fire and theft insurance, the company offers unfair competition as far as rates are concerned. Here is what I mean. Allstate does not insure in the business sector. It does not provide coverage for apartment buildings of more than six units. As far as automobile coverage is concerned, that company does not insure people under 25 years of age and cancels the contracts of those unfortunate enough to be involved in more than two accidents.

That is why it can give preferential rates. If that company were to sell insurance policies with less limitations, it might be in a better position to ask parliament for the right to sell life insurance.

Mr. Speaker, this is the third consecutive time that this Bill S-28, providing for the incorporation of the Allstate Life Insurance Company of Canada has come before this house.

Frankly, I am astounded by the stubbornness of the mover of this bill. I do not know what interests urge him to such an act of bravery, but certainly it is not true Canadian

spirit, because after all the reasons brought forward for rejecting such a bill, the idea of bringing it back before the house should long since have been given up.

We in the Social Credit party have been fighting for years to help Canadians regain possession of their economy. Not only do we want to talk about this, but we want to put this into practice at every opportunity. And every self-respecting Canadian should be bent on working along those lines with our group.

Mr. Speaker, we are now faced with a typical case of American control over life insurance, while in this particular field we have all the Canadian controlled companies we need that are able to serve all Canadians' needs. It is therefore illogical to allow a company with 84½ per cent American control to collect premiums from Canadians and once again take the profits away to the neighbouring country.

I wish to point out that I have absolutely nothing against American capitalists; but I am here to protect my Canadian fellow citizens and I dare say that I will stand up for them all, from one ocean to the other, and to the extreme limit. And I pray all the hon. members to do the same if they do not want to fail in their duty by hindering their country's efforts to take hold of its economy.

Some may say that the present government cannot go on playing the dictator towards the companies which want to come to this country and work for the progress of its economy. Well, Mr. Speaker, I see no dictatorship in this; the government is merely doing its duty in defending our private Canadian companies against foreign trusts.

We have already said in this house that life insurance is the best way for our Canadian companies to reach the goal that has been set, that is to become masters in our own house.

Indeed, contrary to companies engaged in the development field, life insurance companies require little initial capital; they need very small investments since they merely channel the savings of the people.

Section 1 of the bill states that most Canadian directors live in the city of Toronto.

That again is nothing but a smokescreen to hide the truth.

We, the Canadian people, have had enough of being taken for idiots. We have come of age and will no longer tolerate such tricks even when they are executed by Canadians.

This is an American concern which presents itself under the guise of a Canadian company. I have always heard it said that the cowl does not make the monk. That is why I say that the new company is not welcome merely because it has a few temporary directors. You will note that section 2 of the Allstate bill foresees even now that the persons named in section 1 are only provisional directors.

The company is kind enough to let Canadians witness the opening but after that, the show will be over.

So, American companies will keep on taking over our country. I am always amazed when I hear certain Canadians state that foreign capital helps us develop our economy.

Let us never forget that any foreigner who has invested here has not done so for humanitarian considerations but for the benefits he could derive from it. We are the ones who have paid the piper and we continue to do so every time we accept foreign capital when we have the required funds ourselves. When are we going to understand this principle which is the very basis of the control of our economy?

If we were as keen to develop and encourage our own industry as we are to welcome foreign companies, I feel a major step would have been made on the road to economic self-determination.

We are told that with this type of insurance, premiums can be reduced, Mr. Speaker. Of course, premiums must be taken into account in matters of insurance. But above all, it is about the service provided by a company that the government should concern itself. The service is always in relation to the premium paid. If the premium is low, you will necessarily get poor service. I know for a fact that the service given by those foreign companies is very poor indeed. They are good at collecting premiums and for that, they never fail to pick experts in pressure salesmanship. But when the time comes to provide service, a small clause in fine print is always found in the contract containing an exception to the case in point. Those companies are perfectly legal, but the people they insure would have to be legal wizards to make out the terms of such contracts.

In this connection, Mr. Speaker, we hope that one day a commission will be set up to study all those various sales or insurance contracts in order to protect the general public against certain companies which take advantage of the loop-holes in our legal code.

Thus, with a proper organization and laws to protect small wage earners, as well as industrialists and businessmen, we could provide a greater security to our population, while protecting our Canadian companies against the intrusion of foreign capital.

It is precisely the duty of the government to protect, not to control, but to give the necessary protection to the Canadian people.

It is our duty here to work for the people.

Mr. Chairman, it has been suggested to refer the bill to the committee on banking and commerce, in order that it may be carefully studied.

I think that the house has now sufficient details on this bill to make a decision and vote if necessary, because, as I see it, only those who are financially interested would vote in favour of such a bill.

A word to the wise is sufficient. We will at last learn who in this house are working for the Canadian people and who are the representatives of American interests. You are well aware that American capital accounts for 87½ per cent, while Canadian capital should represent at least 30 per cent. And you know also that we do not need foreign capital in this field since our Canadian companies meet our requirements.

You are well aware that the millions of dollars of profits which that company will make each year will still increase the already tremendous amount of over $1,200 million pocketed each year by foreigners at our expense.

You are well aware that by voting in favour of this bill, you are betraying a solemn promise made by your party, namely to enable Canadians to regain possession of their economy.

Do not forget however that insurance companies represent at the present time one of the largest saving and investment funds in our Canadian economy.

In voting in favour of this bill, you would have to answer to all our insurance companies as well as all other companies.

If you realize the full implications of your action at a time when a wave of nationalism is being felt throughout the country, then go ahead.

So, on behalf of the Canadian people, I again ask the sponsor of the bill to put his mistake right by simply withdrawing it. I know that we are asking a lot. You would then be considered a great patriot. Otherwise, we would be compelled to draw the opposite conclusion.

To refer the bill to the committee on banking and commerce would only delay the approval which we refuse to give today.

I have had a rather short experience in this house, but the few months which I have spent here compel me to distrust such an easy way out.

Mr. Gerard Perron (Beauce): Mr. Speaker, some people seem to think that the sponsor of the bill is only interested here in a change of name. And as mentioned by the hon. member who spoke before me, if it is just a matter of changing the cowl without changing the monk, I wonder why so much importance is being given to this bill which comes again before the house.

No matter what arguments are put forward, it should be understood, as was pointed out a while ago, that we do not want to pretend to be blocking the entry of foreign capital into this country. We are against the methods used by the insurance companies.

In the case of the Allstate company, it is not the investment of foreign funds that is to be feared but rather the shrewdness shown by some people in channelling the vital resources of the nation. We are against those methods used by insurance companies in any field whatever. If we consider the insurance field, we realize that it absorbs the major part of the savings of the citizens in this country, since the sum total of such savings, of such funds, is about $10, $12 or even $15 billion.

It is not so much the inflow of foreign capital into our country which must form the basis of our opposition to the bill but rather the means used to come and get our money.

In this field, a great number of Canadian companies are capable of giving adequate service. Now, if one looks at the way that company operates, especially as far as sales at the counter are concerned, one often finds that its rates compete successfully with those of certain Canadian companies.

In order to reduce their operating costs, such a company resorts mainly to sales made at the counter. I know something about it because of the surprising number of complaints I have received about that from a few persons they have insured. When somebody puts in a justified claim following an accident, he cannot even get paid. Here is the advice given to him at the same sales counter: get yourself a lawyer and if we lose we shall pay, but if you lose you shall have to pay your lawyer.

If that is the way to deal with people after having succeeded in selling them insurance, I feel we are right in saying that Canadian companies are better suited to the needs of our fellow citizens both in the field of life insurance and in that of protection against fire and automobile accidents.

We hear very often in the house about our balance of payments. We often hear about the difficulties of meeting our obligations towards our friends and neighbours in the field of finance.

Once again, I say that the investing of foreign capital in fields that do not compete directly with our own interests is acceptable.

The present application is submitted in the form of a new incorporation. It is merely

requested to change the name of the company and to allow it to do business, which it already does.

I wonder why they insist. What is there hidden behind this application? I think that we should do our utmost to make the parties concerned aware that they should explain their views before the committee.

I think all hon. members should be interested to know the background of the question in order to be in a position to judge as adequately as possible whether, in the interest of the people, the government and the whole country, we should accept so easily an incorporation screen such as the one sought by Allstate at the present time.

Whatever the names of the directors, whatever the arguments that can be brought forward concerning the reinvestment of the funds in Canadian corporations, I think the hon. member for Lapointe (Mr. Gregoire) raised a point that no one can find obscure. Less and less of the profits made by those corporations are reinvested in this country. Therefore, why is there so much insistance from some hon. members in this house?

As I said, and as it was repeated a while ago by my colleague from Quebec East (Mr. Beaule), some day accounts will have to be rendered to people who decided to go into the insurance business in our country. We seem to be getting more and more strength in that field while giving our people as adequate a service as possible.

Too many fields are held by foreigners. They managed to get into those fields behind that screen I mentioned a while ago. I think the bill should be referred to the committee and some members of the company should be brought back before the committee so that we can hear their arguments again. Then, we would be in a better position to know whether we should pass that bill. But as things stand, I think it would not be in the interest of our people to pass this bill to incorporate the Allstate company.

[*Text*]

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to say one or two words on this bill because when it first came up in the previous parliament I did move that it be not now read a second time. Since we have had our discussions in the house I suppose all hon. members have been interviewed by representatives of the company, who have pointed out to us their desire to try and meet our objections to the bill. The bill itself is not really that important but it does point up the whole problem of United States control of Canadian companies, and whether or not any practical and effective schemes can be devised to remove the more objectionable features of such control. It is an extremely difficult problem and the more one looks at it the more difficult it becomes to devise any solution which will not prove to be as undesirable as the condition we are trying to remedy. However, the representatives of the company did come to Ottawa and we had the opportunity to present our views to them and, as I say, they indicated a very real desire to try and meet these objections. I am not sure that they will make the type of concessions that we feel should be required, but there are other areas in the world where this problem has been attacked and where devices have been worked out in company law to deal with situations of this type. In Germany, for example, the companies act has been amended so that major policy decisions can be made only if more than 75 per cent of the shareholders agree. Thus there may be some devices available which we could adopt in order to deal effectively with this problem.

Many of the objections which hon. members have raised are perfectly valid. It is true that this company, if incorporated, would be 87 per cent controlled from the United States. But we should also be fair and remember that the company is already operating, in fact, in every province in Canada under provincial licences and that it is at the moment 100 per cent owned in the United States. So, at least, this is a step in the right direction. I understand that the 25 per cent which is to be Canadian-owned is all that the Canadian company can afford to purchase at the present time, although they are prepared to write into their charter arrangements providing that a greater equity can be controlled by the Canadian company at a later date.

While I would not want to be construed as in any way endorsing the general principle of this bill—I still think there are serious objections to it—the problem which occurs to me is how we can effectively deal with situations of this kind. I think the bill should go to the committee because this would give us an opportunity to determine whether this whole problem of the foreign ownership and control of Canadian companies can be dealt with effectively. The representatives of the company come forward and we can discuss with them and with the law officers of the crown and with the members of the committee this whole problem and then, perhaps, we can come to some solution, some formula, which would be acceptable to the house.

As I have said, the passage of this bill is really not of first importance. The company will carry on in full force whether we pass it or not. Passage of this bill would, however, permit it to have a Canadian entity, and certain advantages or benefits would accrue.

We could hold it up here indefinitely if we so desired, but I think there is a case to be made for letting it go to the committee since, as I said, this demonstrates the whole problem raised by United States or foreign control of Canadian enterprises. With the spirit which some of these people have shown, this may be a case where we could sit down intelligently and spend some time on this bill trying to see whether there are formulae, provisions in the relevant acts or amendments to other statutes which we could bring in to provide some effective method of dealing with what is a most important and troublesome question. So, like the hon. member for Medicine Hat (Mr. Olson), without in any way endorsing the bill I think it does provide us with an opportunity to take constructive action and I urge the house to send it to the committee.

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, having listened today to various speeches and statements about Bill S-28, which comes before us for the third time, we note that Canadians are more and more anxious to see their country controlled by Canadians, from the financial point of view.

The presence in this country of too many foreign companies, particularly American companies, rather disturbs us. Canadians are waking up and want to keep their funds for themselves in order to develop their own country.

A careful study of the present situation shows that Canada is rapidly becoming foreign controlled. That is why we feel that the bill should be considered again by the committee on banking and commerce, where the parties concerned would make themselves heard, through their representatives, and answer the questions put to them.

I am convinced that the bill will not be carried, but rather that it will be referred to the committee on banking and commerce.

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I was surprised to hear the hon. member for Labelle (Mr. Girouard) state that the directors of the company who have sponsored this bill and seek its adoption have pledged that the company's profits will be invested in Canada.

If they have made such a promise, how is it that they have not fulfilled it? They have had sufficient opportunity to inform those who are against this bill, or all hon. members, of the fact that they have made such an undertaking which, if I am not mistaken, was done before witnesses.

When one makes a promise before witnesses and one is responsible, it is only normal for one to live up to it.

[Mr. Scott.]

Mr. Speaker, I have noticed that each time this bill has come before us, it is French-speaking Canadians who, for the most part, have opposed it. Perhaps we have adopted this attitude because we remember a certain historical event. As a matter of fact, let us recall this historical event of General de Salaberry who, with 300 Canadian soldiers, prevented Canada from becoming an American colony. It is probably the memory of this event which today enables us, forces us, I should say, to speak against this bill which, in short, would tend to legalize the intrusion of an American firm into Canada.

Mr. Speaker, one of the most curious things is that this company is already carrying on financial operations in this country, even though it does not seem to be legally incorporated. I am wondering what our legislation is worth when this company can be allowed to do business without being legally recognized.

Here is one of the strangest things that can be imagined, and, personally, I cannot admit that a firm may have such privileges.

Like several members who have preceded us, we want Canada to become a country able to run its business by herself. In fact, we have been depending on others long enough: I feel the day has come at last to become masters of our destiny, for after all, if we, the 18 million Canadians, are unable to control our economy, what is the use of believing that we are the parliamentarians elected to run the business of the nation?

If we are unable to do our duty, it seems to me that we should leave the responsibility to others. I feel we are able, all by ourselves, to take such responsibility, and that is why, like several of my friends, I personally object to the passing of the bill.

Mr. Speaker, may I ask you to call it six o'clock?

Mr. Deputy Speaker: Order. The hour for consideration of private members' business having now expired, the house will revert to the business which was interrupted at five o'clock.

[*Text*]

OLD AGE SECURITY

PROVISION FOR INCREASE IN AMOUNT OF PAYMENT

The house resumed consideration in committee of the following resolution—Miss LaMarsh—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the pension under the said act from $65 a month to $75 a month, effective October 1, 1963, and to increase the rate of old age security tax from the present rate of 3 per cent with a maximum of

$90 to a rate of 4 per cent with a maximum of $120 on the taxable income of individuals applicable to the 1964 and subsequent taxation years.—

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

[*Translation*]

Mr. Pigeon: Mr. Chairman, I fail to understand how the Minister of National Health and Welfare (Miss LaMarsh) can recommend the levy of a tax to pay for this increase in pension. In my opinion, the government is not being honest with the people since, during the last election, it never mentioned this tax, this additional burden on the shoulders of the Canadian taxpayers.

Furthermore, as I said previously, we on this side of the house were surprised to hear the dangerous—and I use the word intentionally—statements made by the Minister of National Health and Welfare during an interview she gave to a reporter of the *Globe and Mail* last September 27. Indeed, that interview was recorded on tape and then published in the newspapers. I will quote the statement.

Mr. Caron: That is not true.

Mr. Pigeon: Thus, the minister will have the opportunity of making comments on each statement.

[*Text*]

Mr. Caron: On a point of order, Mr. Chairman, the minister has said on her word in the house today that none of these statements was made by her. Has the hon. member the right to read them when the minister has said on her word in the house that she never made such statements?

Mr. Woolliams: On the point of order, Mr. Chairman, she did not say she did not make any of the statements in the report covering almost two pages in the *Globe and Mail*. She said there was a little part she did not think she said.

Mr. Caron: She never said a little part.

[*Translation*]

Mr. Pigeon: We know what kind of truth she utters, especially since she was a member of the truth squad.

[*Text*]

The Deputy Chairman: Order. I should point out to the hon. member that if the hon. lady has already denied the statement, then as a member of the house the hon. gentleman will have to accept that denial, and I would hope that the hon. member would carry on with his speech without pursuing this line of argument.

[*Translation*]

Mr. Pigeon: Mr. Chairman, section 94A of the Canadian constitution gives to the provinces complete powers in the field of social security. If a province like Quebec wishes to set up a retirement fund, it is up to her; she is the only one concerned and it has nothing to do with the federal Minister of National Health and Welfare.

If we want peace—and we really want national unity—let the minister first respect the Canadian constitution and the wishes of the province of Quebec. That province wants to set up a large fund and thus have money for her cultural, economic and educational needs.

And the newspaper *La Presse* of September 28 reports this:

> The minister considers that the Quebec pension plan is steeped in nazism.

Following that interview which she gave to the *Globe and Mail* and I quote in English—

[*Text*]

I will quote in English, Mr. Speaker.

> By controlling investment capital it could control business. We could end up with a sort of national socialism, like they had in nazi Germany, and not much free enterprise.

I have quoted what was said by the minister. I think this is against national unity.

[*Translation*]

Such a statement from the minister contributes to undermine our national unity.

I protest on behalf of my province and government members should denounce the minister who uses such words which are inconsistent with our national unity.

Mr. Chairman, the minister went even further. She said that this plan would not be referred to a committee of the house because the members were not qualified.

Well, I feel that statement is an insult to the members of this house, because how can we vote for a bill if we are not qualified enough to study it in committee?

Mr. Chairman, those statements are, in my opinion, the most injurious ever made by a minister of the crown in a long time.

The minister assumes rights and prerogatives she does not have. I think she is a drag on the government. In fact, she reminds me of Madame Nhu; she is the Madame Nhu of the House of Commons and she annoys everybody.

Mr. Chairman, I have more confidence in the newspapermen of the *Globe and Mail* who have reported everything she said in an interview which was published in all Canadian papers, including those of French Canada. I have more confidence in the reports made by our excellent journalists than in the Minister of National Health and Welfare. Besides, everyone knows the way she used to report facts while she was a member of the truth squad.

Mr. Chairman, the Canadian people have enough of this and the minister should resign for having talked that way, because such remarks are detrimental to national unity. Before concluding, I maintain that the minister should apologize to all members for having uttered such remarks. She should urge the cabinet to make this increase of the old age pensions retroactive to April 8 last.

She should also ask the government not to levy new taxes on the common people who need their money to live.

Mr. Chairman, since the Liberals rule the country, government is a complete fiasco. The government is unable to run Canada's business in time of peace and we demand that it resign as soon as possible. Let it yield its place to the Leader of the Opposition (Mr. Diefenbaker), because he has always been able to increase pensions without increasing taxes.

Mr. Caouette: Mr. Chairman, I shall not take up too much of the house's time, because I feel that we are all under an obligation to our elder citizens, and that is to grant them a pension increase as soon as possible.

However, I have a few words to say to my hon. friends opposite. Let me remind them of some of the promises they made early in 1963 during the election campaign. They said at that time that a Liberal administration would increase old age and veterans' pensions, family allowances, and all this, mind you, without raising taxes.

To that end, the Liberals were supposed to cut the wasteful expenditures of a Conservative government which had been spending public moneys lavishly and inconsiderately. And with the money thus saved, the Liberal government could increase all types of pensions and family allowances without raising taxes.

Now, we have before us a resolution which will be followed in a few days, I hope, by a bill entitled "Increase in old age and veterans' pensions in the country", and we are advised at the same time that this pension increase will be paid by means of a tax increase.

That is exactly the opposite of the promises made during the election campaign. Besides, that is how the two old line parties usually proceed. As a matter of fact, they are very able when they sit in the opposition, but as soon as they come into office, they become so disabled that they should be covered by a measure to increase the allowances for disabled persons while they are members of parliament.

Mr. Choquette: What about the veterans' pensions?

Mr. Caouette: Mr. Chairman, my good friend, the hon. member for Lotbiniere, has spoken about veterans' pensions. I feel that he should be granted such a pension; he would find it much more useful outside parliament than within its precinct.

Mr. Chairman, when it was decided to raise the emoluments of members of parliament, we did not link that rise to a tax increase. But when it is thought of raising the old age pensions, one hears talks of new taxation.

The increase in our parliamentary indemnity was made retroactive to April 8, whereas in the case of our senior citizens, the increase in their pensions will only apply as of today October 1.

Mr. Chairman, regardless of the amendment which was proposed in the house this afternoon, we move that the government might submit a bill providing for retroactivity to April 1 or 8 for all such pensioners.

The provisions of the resolution before us do not include the case of our people from 55 to 70 years of age. However, every single member is aware of the difficulties confronting some of his voters of 55, 58, 60 or 63 years of age, who are unable to work to earn a living and who receive no assistance from anyone. Then, why not take care of these people right now?

Everyone knows that on account of automation, men are being increasingly replaced by machines and we find ourselves confronted with a problem which is urgent and national in scope and which cannot be solved elsewhere but here, in this federal parliament.

It is the duty of every member, whatever his political allegiance or the party which he represents, to take a stand in favour of these people.

The proposed resolution now before us is one of a rather general nature, which does not contain very accurate specifications. In fact, here is what it says:

—to increase the pension under the said act from $65 a month to $75 a month, effective October 1, 1963, and to increase the rate of old age security tax—

We are going to ask our young people of 18, 20 and 22 years of age who have jobs, to start right now paying for old age security.

The proposed resolution goes on:

—on the taxable income of individuals—

When all individuals have too much to pay at the present time.

—from the present rate of 3 per cent with a maximum of $90 to a rate of 4 per cent with a maximum of $120,... applicable to the 1964 and subsequent taxation years.

Mr. Chairman, I think that we—I do not mean the Social Credit party but the Liberal government—are being stingy toward the people and generous to the members of this house, the senators and a few privileged groups.

Mr. Chairman, following the emergency conditions created by the war in 1939—and the Liberals surely know something about that since they held power at that time—we appealed to the Bank of Canada to get new credit, to finance the first stages of the war. That was the Liberal mint, my friends.

How strange you should find that mint only to finance a war effort and cannot manage to find it to let people live.

Mr. Chairman, there was no mention of the money press when it came to putting Canada into debt for $13 billion during the 1939-45 war, whereas today there is talk about it when we, of the Social Credit party, put our financing philosophy forward.

That reminds me of what the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) was already saying to the people on television, while showering bank notes all over himself: it will create inflation.

Did not the same member vote himself an increase of $8,000 not very long ago? No one said anything, then, no one worried about inflation. But an increase for the people and an increase of $10 in the old age pension, that is inflation. Is that what those members consider logical?

An hon. Member: Nobody refused our increase.

Mr. Caouette: That is absolutely right. But the members of our party did not brag to the people as you did.

Mr. Chairman, if it was possible to use the Bank of Canada for war purposes, we feel that it would be easy for the government to use the Bank of Canada to increase social security in Canada without taxing the people, the small worker, the labourer, the farmer or the small shopkeeper. Those people are today finding life very difficult and you know yourselves how that is true in your own ridings.

We are faced with an acute and urgent problem simply because the government stubbornly refuses to go to the Bank of Canada, which is owned by the state and belongs to all Canadians. They are still trying to pick some pockets to fill others; that is the solution of the Liberal party.

Mr. Chairman, we approve wholeheartedly the increase in old age pensions. However, we do not agree to the string that is attached to it: taxation. As the Leader of the Opposition (Mr. Diefenbaker) said this afternoon, we are forced to vote for the tax increase when we vote to increase the old age pension. They offer us a "package", as they call it, and quite a nice package it is. First of all, they bring up an increase of old age pensions and right after that, an increase of taxes.

Mr. Chairman, we suggest that the government present its bill in a definite and clear-cut way, not one which will put a further burden on taxpayers, but a progressive bill which, for once, would favour the interests of the Canadian people in placing the Bank of Canada at its disposal. It must be added that the Minister of Finance acknowledged it himself: we can resort to the Bank of Canada. Why then not use its services instead of paying interests to private financing enterprises and force our people to pay two, three or four times the amount borrowed by the government.

Mr. Chairman, an amendment was moved this afternoon. Here is another one. I move, seconded by Mr. Gilles Gregoire, that the government resolution be amended by adding after the word "years" the following words: "and the house asks that the government give consideration to lowering the age requirement in respect of old age pensions to 65 years for everyone without a means test and to 60 years, subject to a means test.

Mr. Pickersgill: Mr. Chairman, before you put the amendment moved by the hon. member, I wonder would you give some consideration as to whether or not it is in order. In some respects it is similar to the amendment moved by the right hon. gentleman earlier today, but it seems to me that it would be out of order on an additional ground in that it is not an amendment at all but an attempt to attach another and quite separate proposition to the one that is before the committee, because we have a concrete proposition before the committee about the old age security legislation as it now exists, namely that it would be expedient to make an amendment to that legislation.

This motion does not attempt to amend the motion already before the committee. It purports to attach a lot of other words to it, urging the government to consider something else entirely different, that is to say, reducing the eligible age for pensioners to 65 years without a means test, and to 60 years with a means test.

The main principle of the old age security legislation is that there is no means test at all

and therefore, apart from all other considerations, this would import something entirely new into the question. It seems to me it falls to the ground like the right hon. gentleman's amendment, which was ruled out of order and which ruling, on appeal, was sustained by the house, in that it seeks to impose a charge upon the exchequer, which can only be done with a message from the crown and can only be proposed by a member of the treasury benches.

[*Translation*]

Mr. Gregoire: On the point of order, Mr. Chairman, the Secretary of State stressed two definite facts.

First of all, he stated that this would only be an addition to the resolution and it would not make any sense.

Now, the resolution deals with an increase from $65 to $75 in the monthly pension provided by the law, that is the over-all Old Age Security Act to which two amendments are proposed in the next resolution. There are two amendments, one providing for the increase in the amount of the pension and the other for the tax increase.

This is what we wish to add. If there is to be a tax increase, then let there also be an extension of the number of years during which elderly citizens will be entitled to this pension. The whole thing boils down to this: the tax increase will be balanced by an increase in pension. Consequently, since the amendment deals with both a tax increase and a boost in the amount of pension, our proposal comes under the same resolution and does not involve the expenditure of government funds. In my opinion, Mr. Chairman, this must be thoroughly understood. We are not necessarily asking the government to reduce the minimum requirements to the age of 65 merely to have a greater expenditure than foreseen. We are interested in one thing only; that in adopting this amendment, the house express the wish that the government consider the advisability of reducing the requirements concerning the age at which a person is entitled to a pension. This is nothing more than the expression of an opinion on the part of the house for the benefit of the government. Members of the opposition and private members on the government side as well can recommend to the cabinet the introduction of a resolution to reduce the requirements concerning the age limit. We are not necessarily asking the government to make a bigger expenditure of public funds. We are just suggesting that the government consider our recommendation and the latter should not be ashamed of getting proposals from members of the house since there is nothing wrong with that.

[Mr. Pickersgill.]

He is free, after hearing the suggestion and the distinct request made by the members of this house, to comply or not with that request.

I submit, therefore, in spite of the ruling that may have been made this afternoon, that the amendment would not have the effect of increasing the government's expenditures. It is only a wish asking more or less the government to take the matter into consideration. I believe that it is quite in order and consistent with the resolution.

Mr. Chairman, such an amendment can be introduced at this stage, that is at the resolution stage. According to parliamentary procedure, a measure must go through various stages before being passed. The bill is not introduced in the house at the first stage. Why? Because if a resolution is introduced at this stage, opposition and government members can suggest some improvements and then the cabinet is always allowed a certain period to include in the bill, if it wishes to do so, the changes that might have been suggested at the resolution stage. Otherwise, the British parliamentary procedure that we have been following by tradition for several centuries would not have been designed so as to allow several stages, the first of which gives the government a chance to change its mind without losing face by having to reprint the bill.

If the government wishes to decide on the age of 65 years, details will be mentioned in the bill. It is why the British tradition allows at the first stage discussion of such details in order that the government may rely on public opinion and on the members' opinion before writing the bill for submission to the house.

I submit that this stage, which was created by the British tradition—and the Secretary of State will admit it with me—was established in order to allow suggestions of this kind.

The Secretary of State should be happy to see that our institutions are still democratic, to such a degree as to allow the opposition, at a stage that was intended by the procedure and the rules, to allow suggestions to the government, while the government is not committed through specific, textual and full clauses.

I submit that the Secretary of State would be ill-inspired to oppose the hon. members' suggestions. It seems to me that he should withdraw his opposition to the amendment. The government could later state its views, and try and convince us as to whether an amendment is advisable or not.

When the debate on the legislation reaches the decision stage, it will be too late to present amendments.

I submit that the present amendment is in order and does not contravene the rules.

Some hon. Members: Hear, hear.

Mr. Gregoire: I realize that I have won over most of my Liberal friends. I maintain that, according to our rules and procedure, and following tradition—that magnificent British tradition of a democratic parliament—the amendment is in order.

[*Text*]

The Deputy Chairman: Order. May I read to the committee citation 246, section 3, page 207 of Beauchesne, fourth edition.

Mr. Gregoire: On a question of privilege, Mr. Chairman, the Secretary of State this afternoon mentioned that Beauchesne's manual of procedure was not an official one in this house. Therefore we object. As long as this manual is printed only in English, it will not be recognized as an official manual of procedure of this house which should be employed by the house.

We are a bilingual country and no manual of procedure should be recognized in this house unless it is printed in both languages. The Secretary of State recognized that fact himself this afternoon in saying that it was only unofficial. So we do not accept the Chair ruling according to Beauchesne's manual, as long as it is not translated into French.

The Deputy Chairman: Order. It is the opinion of the Chair that this amendment is out of order on at least two grounds, first because it extends the scope of the resolution before the committee, and second because, if the amendment means anything, it is a charge on the treasury. I declare the motion out of order.

Mr. Gregoire: On a point of order, Mr. Chairman, it is laid down in the book of procedure, standing orders—the only one that is official in this house—that on an occasion such as this you should mention the section in the authority under which we are out of order. I would like you, Mr. Chairman, to cite the number of the section according to which we are out of order. I refer to the official one.

The Deputy Chairman: Order. May I read standing order 59, section 2:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

If, then, speeches must be relevant, I declare that the amendment must be relevant too.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I appeal your ruling.

[*Text*]

Mr. Deputy Speaker resumed the chair, and the deputy chairman of the committee made the following report:

> The question is as follows: In committee of the whole, when a resolution to amend the Old Age Security Act was being considered, the hon. member for Villeneuve proposed an amendment as follows:
>
> "That the said resolution be amended by adding after the words 'subsequent taxation years' the following words: 'and this chamber asks that the government consider the opportunity of lowering the age for old age pensioners to 65 years for all without a means test, and to 60 with such test' ".
>
> The chairman ruled the proposed amendment out of order on the ground that it was irrelevant to the proposal before the committee; that it extended the scope of the resolution and also that it introduced a financial charge on the treasury: whereupon the hon. member for Lapointe appealed to the house from the ruling of the Chair.

[*Translation*]

Mr. Deputy Speaker: When the house was in committee of the whole and when a resolution to amend the Old Age Security Act was being considered, the hon. member for Villeneuve (Mr. Caouette) proposed an amendment as follows:

> I propose, seconded by Mr. Gilles Gregoire, that the said resolution be amended by adding after the words "subsequent taxation years" the following words: and this chamber asks that the government consider the opportunity of lowering the age for old age pensioners to 65 years for all without a means test, and to 60 with such test.
>
> The chairman ruled the proposed amendment out of order on the ground that it was irrelevant to the proposal before the committee, that it extended the scope of the resolution, and also that it introduced a financial charge on the treasury. Whereupon the hon. member for Lapointe appealed to the house from the ruling of the Chair.

[*Text*]

The house divided on the question: Shall the ruling of the chairman be confirmed? And the ruling was confirmed on the following division:

YEAS

Messrs:

Addison	Brewin
Aiken	Byrne
Alkenbrack	Cadieu (Meadow-Lake)
Armstrong	Cameron (High Park)
Asselin (Richmond-Wolfe)	Cantelon
Badanai	Cantin
Balcer	Cardin
Basford	Caron
Bechard	Carter
Beer	Chatterton
Bell	Chevrier
Benidickson	Choquette
Benson	Chretien
Berger	Churchill
Blouin	Coates
Boulanger	Cooper
	Côté (Longueuil)

Division

Cowan	McLean (Charlotte)
Crossman	McMillan
Cyr	McNulty
Danforth	McWilliam
Davis	Madill
Deachman	Martin (Timmins)
Denis	Matheson
Deschatelets	Matte
Dinsdale	Millar
Doucett	Mitchell
Douglas	Monteith
Drouin	Moore
Emard	Moreau
Eudes	Morison
Fairweather	Muir (Cape Breton North and Victoria)
Fane	Muir (Lisgar)
Favreau	Mullally
Fisher	Munro
Forbes	Nasserden
Forest	Nesbitt
Forgie	Nicholson
Foy	Noble
Francis	O'Keefe
Garland	Olson
Gelber	Orlikow
Gendron	Ormiston
Godin	Otto
Grafftey	Ouellet
Granger	Pascoe
Gray	Paul
Greene	Pepin
Groos	Pickersgill
Gundlock	Pilon
Habel	Prittie
Hahn	Pugh
Haidasz	Rapp
Hales	Ricard
Hamilton	Richard
Harley	Rideout
Hays	Rinfret
Hellyer	Robichaud
Herridge	Rochon
Honey	Rock
Howe (Wellington-Huron)	Rouleau
Irvine	Ryan
Jewett, Miss	Sauve
Jorgenson	Simpson
Kelly	Smith
Kennedy	Southam
Kindt	Starr
Klein	Stefanson
Knowles	Stenson
Lachance	Tardif
Laing	Teillet
LaMarsh, Miss	Temple
Lamb	Thompson
Lamontagne	Tucker
Laniel	Turner
Laverdiere	Wahn
Leboe	Walker
Loiselle	Watson (Assiniboia)
Loney	Watson (Chateauguay-Huntingdon-Laprairie)
Macaluso	Webb
Macdonald	Webster
MacInnis	Weichel
MacLean (Queens)	Whelan
MacNaught	Winch
MacRae	Winkler
McCutcheon	Woolliams—172.
McIntosh	

NAYS

Messrs:

Beaule	Dionne
Belanger	Gauthier
Boutin	Gregoire
Caouette	Laprise
Clancy	Latulippe
Perron	Rheaume
Plourde	Rondeau—14.

[Mr. Deputy Speaker.]

Mr. Asselin (Notre Dame de Grace): I was paired. Had I voted, I would have voted to sustain the ruling of the Chair.

And the house having resumed in committee:

Mr. Woolliams: Mr. Chairman, I am very happy to take part in this debate tonight, particularly after I was accused by one of the ministers of the crown of establishing Liberal policy. If that is true, of course, there is one happy aspect to it and that is that I can always withdraw it tomorrow morning.

Seriously, though, there is no difficulty in a Conservative rising in parliament to support an increase in pensions for our senior citizens from $65 to $75 per month, since it was the Progressive Conservatives who moved an amendment to the resolution presented by the Minister of National Health and Welfare concerning contributory pensions which was introduced by that lady on July 18 last. We moved an amendment on July 18. I was rather amazed to hear the statement made by the hon. member for Winnipeg North Centre, who spoke for almost his allotted time advocating a pension increase and who said, let us get on with the job. His main theme seemed to be that it did not matter whether the Liberals had changed their minds or had followed their policy of retreat or their policy of capitulation. The fact was that they had indicated they were going to increase this pension, as we are attempting to do at the moment, and that was good enough.

However, the senior citizens of this country have now been aware of the fact that the official opposition has a very important function to perform in parliament. It is because of the 96 Conservative members that we are witnessing the change of mind of the Liberal party tonight.

Some hon. Members: Hear, hear.

Mr. Woolliams: The senior citizens of Canada know tonight that it is because of the stand the 96 Conservatives took on July 18 last that they are getting an increase in pensions as promised to the Canadian people by the Liberals when they were seeking to obtain a mandate from the people.

Mr. Martin (Timmins): There have not been 96 Conservatives in the house since the last election.

Mr. Woolliams: Well, that may be true; but there is one thing of which I am sure, when the hon. member says there have not been any Conservatives in the house since the last election, and that is that there are certainly a lot of socialists around this House of Commons.

I cannot be so glib when it comes to agreeing with the words uttered by the hon. member for Winnipeg North Centre who said that because the practical effect of this resolution will be an increase in pensions to senior citizens, all is well. I may say, with respect, that all is not well. I cast my mind back to the evening of July 18 when we had a procedural argument that lasted for almost an hour and a half concerning an amendment moved by the Leader of the Opposition to the effect that this pension increase should be paid forthwith, and that our senior citizens should not have to wait until the contributory pension plan was adopted before they got their increase. The Liberals were organized on that occasion by the Secretary of State to set forth those procedural arguments, so that in effect the motion before the house on July 18 never came before the house. The point I want to make is that if that motion had died there, then the effectiveness of the opposition would have died with it. It might have been considered a new form of closure, because on that occasion the decision was reserved and to this date we have never had a decision on the motion.

Mr. Pickersgill: Mr. Chairman, I am rising on a point of order. The hon. gentleman, who is a distinguished member of the bar, and who has therefore no real excuse for not knowing the rules of the house, surely realizes that on the debate on this matter he cannot open a subject that is up for debate on the order paper on another matter, and that what he is doing now is quite against the rules.

Mr. Woolliams: I do not want to get into an argument with my good friend across the way because I see he has been suffering from political phthisis for a long time, but I do wish to say that I cannot sit by and give silent approval to such political conniving.

The effect of what happened on July 18 was to silence the opposition, and if this is to be a precedent in the House of Commons, and it would seem to be an unprecedented one, then the very function, the very effectiveness and the very purpose of the official opposition would be destroyed.

I want to repeat my point, that there are those who still put an ounce of freedom above a pound of security, and I am sure there are those in Canada who are to be the recipients of this $10 increase, and who, knowing whatever party were in opposition was to be silenced, would give up that pound of security for a good ounce of freedom.

It has been the opposition's functioning properly and effectively that has brought about the desired result. Destroy that effectiveness and the purpose of the opposition will be stopped. There is no better authority for that than the minister herself who, in the *Globe and Mail*, is reported as saying:

> In the first place, there is no assurance the Quebec premiums will be small. Mr. Lesage wants a big fund for investment and he can't get it fast enough with a 2 per cent levy.
>
> Besides, I am not sure that a very large investment fund in the hands of a government is a good thing. It is taking too much money out of private hands. Tremendous power could be wielded by a government with so much money. By controlling investment capital it could control business.
>
> We could end up with a sort of national socialism, like they had in nazi Germany, and not much free enterprise.

Why was the decision not made? What was her position on July 18 last? I want to refer once more to the position which the 96 Conservatives took in the House of Commons on that occasion, and contrast it with what her position was. This is what she said, quoting from page 2342—

Mr. Pickersgill: On a point of order, the hon. gentleman is now breaking an express rule of the house by quoting from another debate in the same session, which is absolutely contrary to the rules and makes orderly debate impossible.

Mr. Woolliams: The only reason I was going to quote it was because I was afraid the minister would say I misquoted her. However I can set out very carefully her position on that occasion. She took the position that until the Liberal government had implemented its contributory pension plan, and until the contributions had started to roll in, not one dollar would go out in old age pensions to our senior citizens.

Then we have the position taken by another Liberal member on that occasion, as recorded at page 2363 of *Hansard*.

Miss LaMarsh: Who is that?

Mr. Woolliams: The hon. member for Kootenay East (Mr. Byrne) sitting right behind the minister took the same position. He also said that what would happen would be that it would cost the Canadian people $100 million, and that was the reason the government was not going to increase the old age pension. That was the position which the Liberals took on July 18 last; but that was not the position which they took during the election. They committed themselves to the Canadian people to increase old age pensions by $10 a month and it was only after the minister herself was embarrassed, and the cabinet and the entire government was embarassed—

Miss LaMarsh: Perhaps the hon. member would permit a question. May I ask him if he will produce one solitary document in which the Liberal party committed itself to

paying $10 immediately after the election, without any relationship to the Canada pension plan?

Mr. Woolliams: I think some of my colleagues can. I can only say this was in the newspapers. It may have been another misquote, as people on the opposite side of the house are always being misquoted.

In brief, here is the government's position, that while the resolution was in suspension they argued, they submitted and they alleged that adoption of the Conservative resolution would wreck their ill-conceived and ill-planned contributory pension plan. I say it is ill-conceived and ill-planned because, if implemented, it would stretch out like an octopus into those financial institutions in which private interests invest their money. The illustrious minister said herself it would place $2 billion in the hands of the government and therefore give the government tremendous political power so that those institutions that encourage private investment would become eroded and be mere puppets and servants of a grandiose government.

In fact, here are her exact words as quoted in the *Globe and Mail* of September 27 last, and she has not yet said she was misquoted on that occasion. She gave a press conference, and this is what she said:

> The danger of having that much money sitting around is that political pressures would develop to spend it on increasing flat rate pensions, and that would throw the whole system out of balance.

Miss LaMarsh: On a point of privilege, Mr. Chairman, I have never had a press conference with the *Globe and Mail* at any time.

Mr. Woolliams: The lady minister is becoming very sensitive, but it does seem to me that on page 7 of the *Globe and Mail* for September 7 there is a beautiful picture of the minister. I am sure she will not deny that is her picture. In fact there is a whole page there and it is headed "Judy LaMarsh talks on pensions." Are we to take it that she has been misquoted and that the *Globe and Mail*, which supported the Liberal party during the last election, would print a whole page in which she has been misquoted?

Miss LaMarsh: Read the rest of it.

Mr. Woolliams: I leave it to my good friends opposite to read it—those capable of reading. The minister says she is the mother of pensions, and that she is going to rock those pensions, like a baby, to sleep. However she may suffer some miscarriage. The Liberal pension plan was conceived in haste and delivered in confusion. What has been the position as far as the provinces are concerned? Let us look at that position. First of all, the minister said it is all right for Mr. Lesage to oppose the contributory pension plan because he said he would challenge its constitutionality in the courts. Therefore, because Mr. Lesage put it on a high intellectual level—

The Chairman: Order. I am sure the hon. member who has the floor will admit that the Chair has exercised considerable indulgence and leniency in allowing him to deal with the contributory pension plan. This subject is, to my mind, obviously beyond the restricted terms of the resolution now before the committee.

Mr. Woolliams: I appreciate the Chair's remarks but I am only answering the argument made by the minister herself on this particular resolution. The same arguments were made and replied to by other hon. members on both sides of the house. With the greatest respect, Mr. Chairman, I would like to finish my remarks on this subject because this is the whole point. At one time—

The Chairman: Order. I am sure the hon. member will want to abide by the ruling the Chair is now making. If he will read the resolution that is before the committee I am sure he will know he is going beyond its terms by continuing the remarks he is making at this time.

Mr. Woolliams: I am only going to say this, Mr. Chairman. We are dealing with the question of old age pensions, and when we are considering pension plans there must be some kind of agreement with the provinces. My point is that Mr. Lesage placed it on a high intellectual level. But because the premier of Ontario said he wanted to study and examine the plan and compare it with the plan as far as the province of Ontario is concerned it is said that Ontario should accept the plan without a word. Therein lies the great difference. Let us see what she herself had to say about this matter.

Some hon. Members: Order.

The Chairman: Order. I will have to ask the hon. member kindly to comply with the ruling which has been made that he is out of order. The hon. member is clearly out of order. He must realize that I have, as I said, exercised as much indulgence and leniency as I can in allowing him to complete the short remarks he was making a moment ago. I would appreciate it very much if he would now find it possible to get back to the essential subject of the resolution.

Mr. Churchill: I rise on a point of order, Mr. Chairman. The minister, in introducing the resolution on September 30, dealt with the proposed Canada pension plan in the first

half of her remarks. Why, then, are not other hon. members of this house given the same privilege as the minister to deal with a subject which she herself raised?

At that time, sir, the minister should have been called to order and restricted to the resolution which was placed on the order paper. On page 3038 of *Hansard* you will find her remarks concerning the proposed Canada pension plan, and subsequent speeches by other hon. members of this house should be permitted to deal with the subject that she herself raised.

Mr. Woolliams: In reference to this matter, Mr. Chairman, I just want to say, what a mockery, when it is all right for one province and not all right for another, which is in effect what the minister said. Why should it be fair for one and not fair for the other? I have in my hand a document from which I would like to quote. The minister challenged me and said that at no time did the Liberal party in literature which they put out, or in campaign speeches, which were printed in the newspapers, say they would immediately increase the pension for senior citizens. I want to read from "This is the man". This is a document put out by the official Liberal association authorized by the Liberal association and printed by D. W. Friesen & Sons, Limited.

Miss LaMarsh: When?

Mr. Woolliams: This was in the last election campaign, 1963. And if you deny this program, then you must deny everything you said to the Canadian people.

Some hon. Members: Hear, hear.

Mr. Churchill: Get the truth squad out again, and the pigeons and the colouring books.

Mr. Pickersgill: You have the "Pigeons".

Mr. Woolliams: I now quote from this document, which reads:

> That Canadians need a contributory pension program, over and above the present universal old age pension. They offer a program that will give pensioners an additional $10 immediately—

Some hon. Members: Oh, oh.

Mr. Lamontagne: Go on.

Mr. Woolliams: It continues:

> —with ultimate benefits as high as $295 a month per couple.

I want to go further. This was promised to the Canadian people by the Prime Minister on the grounds that there would not be an increase in taxation. I submit that he made those speeches in the province of Quebec; he made those speeches in the province of Ontario, in the maritimes and in western Canada. They told this house and the Canadian people that the senior citizens of this country would get an increase of $10 a month immediately. It is only because the 96 Conservatives in opposition took the position which they did take on July 18 that today we find the government have reversed their position. For what reason? I say, the reason of straight political expediency. I want to say, Mr. Chairman, that when we are dealing with welfare benefits or an increase in pensions we cannot consider the subject without—

Some hon. Members: Order.

Mr. Woolliams: I wonder, Mr. Chairman—

The Chairman: Order. Could we have order in the chamber.

Mr. Woolliams: I know, Mr. Chairman, that you have asked for order on several occasions and I would appreciate it if there were a little more order.

Mr. Côté (Longueuil): Mr. Chairman, I would like to know, on a question of privilege, whether the hon. member could table the document he just read.

Mr. Woolliams: Mr. Chairman, my good friend knows the rule—

The Chairman: There is no question of privilege here.

Mr. Woolliams: —that a private member does not table documents. Whether he is looking for a job in the cabinet, I do not know. However, dealing with the commitment made by the Liberal party, I think there is a little restlessness lately in that party and we now read in the newspapers that certain backbenchers consider that the present minister should resign.

Some hon. Members: Oh, oh.

Mr. Woolliams: I want to say this, with great respect, to the minister. I do not believe this plan was visioned by the minister; I believe it was visioned by the Prime Minister of this country. I believe the contributory pension plan, which I described earlier in my remarks as being one which would stretch out like an octopus in its present form to crush all kinds of investment, was really the Pearson plan, being part of the election campaign of 1962, and it happened to fall to the lot of the minister to implement this plan. So when the Liberal backbenchers are considering the resignation of the present minister they should put the bell on the right neck and find out whose plan it was.

An hon. Member: Bell the cat.

Mr. Woolliams: It is interesting to note what has happened recently, because in the

last election campaign the Liberal party seemed to have the financial institutions behind them. I would like now, in reference to the question of pensions—and I am sure this is relevant—to quote from the *Financial Post*. This article is headed "Nation's Business. The whole truth not being told". This is what the *Financial Post* has to say about this plan:

> What's wrong with the truth about pensions? When did Canadians ever more urgently need plain speaking and honest comment about a proposed welfare plan?
>
> Whatever the aspirations of all Canadians for a decent retirement income, it is clear that they are now getting considerably less than the whole truth about the real costs and the real implications of Ottawa's grandiose plan for pensions.

This is in the *Financial Post* of this week. The article continues:

> For instance, Ottawa has devoted much oratory and rhetoric to extol the virtues of a "pay-as-you-go" plan based on contributions from employers and employees.

May I pause for a few moments. Not long ago, two elections or the last election ago, we all know that the Liberal party criticized the former Conservative government, that they did not pay as they go; that they had deficits. Here is what the *Financial Post* has to say about the present social welfare program under the contributory pension scheme, as far as the Liberals are concerned:

> But why have our federal politicians failed to make it clear that those who do most of the paying will be a very different group from those who collect the biggest benefits?

Then dealing with the very situation the minister mentioned the *Financial Post* goes on in words with which I am in accord:

> Ottawa also claims that the Canada pension plan can be financed with a levy on wages that starts at only 2 per cent (1 per cent from the employee, 1 per cent from the employer on the first $4,000 of the employee's income) and rises to only about 6 per cent in 2050.

This, says the *Financial Post*, is outright deception. They are not my words: they are the words of the *Financial Post*.

I could read more but I will end with this, and this puts them in their proper perspective as far as their change in attitude in respect of pensions is concerned.

> The real truth about the Canadian pension plan is that it is a grotesquely bad piece of legislation. It was conceived in political expediency. It is being rushed into the world for reasons of political urgency.

May I ask the minister to explain what "political urgency" there is? Why was this change made? I suggest it was made because it was straight political expediency. The ministers of the present government had on their desks letters from people all across the country saying that the Conservative stand indicated by our leader on July 18 was a proper stand. In fact, if I may pause there, I think the senior citizens of this country can look with some pride to the Leader of the Opposition.

Some hon. Members: Oh, oh.

Mr. Woolliams: Well, Mr. Chairman, they can shout me down but I hope that you will just be a little more liberal with the time. It was the Leader of the Opposition who led the fight on July 18 for the increase in pensions. If it had not been for his grand fight on that occasion, which ended up in a procedural argument, the citizens of this country would still be waiting for their pension plan. That is why the *Financial Post* said that it was conceived in political expediency; that it had been rushed into the world for reasons of political urgency. They go on to say:

> No public hearings have been held to examine its objectives, its real costs, its adequacy, its workability or its acceptance. As it stands now, the plan is an escalator to inflationary costs and candy for the haves at the expense of the have-nots in our society.
>
> Every Canadian, rich or poor, now has very good reason to demand that Ottawa declare a pension pause and face up to the miserable facts about its ill-begotten scheme.

When they realized that public opinion was against this type of contributory pension, which stretched out, I want to repeat, like an octopus into financial institutions in which private investors invest their money, and when they got the protests through letters on their desks from all across the country, the Liberal members on the treasury benches had to change their attitude. As a result, pressure was brought to bear on the minister of health, and it is through that pressure that the backbenchers blame the present minister of health. But this pressure was spearheaded by the present Prime Minister. In fact, I will go further. The contributory pension plan, as it seems to be now, is a plan for the socialization of the financial institutions of this country and the working men of this country.

Now I want to go back to where I started. On July 18 last the Leader of the Opposition moved his amendment. There was a procedural argument lasting about an hour, and decision on it was reserved. We have had no decision yet with reference to that question. Then the identical resolution was presented by the government. It is really in the exact terms which the opposition placed before the House of Commons on July 18. The position taken by the Liberal party on July 18, the position they have taken as far as the contributory pension plan is concerned, and the position they took as far as the procedure for bringing about a pension is concerned, will long haunt them.

Mr. Pickersgill: Mr. Chairman, I do not intend to indulge in the flights of fancy to which we have just been listening. I intend to deal with a few facts. First of all, I think it surprised many hon. members when they heard the last observation of the hon. member for Bow River. He said that the motion now before the house is identical—the word he used—with an amendment moved by his leader on July 18.

Mr. Woolliams: As far as pensions are concerned.

Mr. Pickersgill: If that is so, I should like to know why his leader moved an amendment to this motion here today.

Mr. Woolliams: Mr. Chairman—

Mr. Pickersgill: Mr. Chairman, I listened patiently to the hon. member but now I have the floor.

Mr. Woolliams: Would the hon. gentleman permit a question?

The Chairman: Order.

Mr. Pickersgill: I want to go on, sir, and say that when the hon. gentleman talks of political expediency, he of course comes from a school experienced in that field. When one recalls the recent history in old age pensions, when one recalls what was done just after the 1957 election and just before the 1958 election, and then when the old age pensioners were forgotten till just before another election, I think we know what political expediency is.

Some hon. Members: Oh, oh.

Mr. Pickersgill: The difference between hon. gentlemen opposite and people on this side of the house is that we are not contemplating an election; we are doing something after an election. For four years the hon. member for Perth—

An hon. Member: Call in the truth squad.

Mr. Pickersgill: Well, it seems that hon. gentlemen do not want to listen. For four years the hon. member for Perth dusted off the report of that professor from British Columbia, Professor Clark. He dusted it off once a year and put it back again till it was just time for an election, and then suddenly something was done. But not what Professor Clark had talked about. Not what the former prime minister had promised at the time he established the Clark commission. Something entirely different was done.

Mr. Churchill: On a point of order, Mr. Chairman, I presume you are able to relate this speech to the resolution, but I doubt if anyone in the committee can do so. My point of order is this: what relevance have these remarks about something which happened four years ago to the resolution now before the house?

Mr. Pickersgill: I have no difficulty, sir, in doing that. The hon. gentleman—

Mr. Churchill: Mr. Chairman, I respectfully request a ruling on my point or order.

Mr. Pickersgill: I am speaking to the point of order. The hon. gentleman, who a few moments ago defended the hon. member for Bow River on a point of order, is now objecting to my replying to the things the hon. member for Bow River said, things he said he had a right to say. That is just another flip-flop.

Mr. Woolliams: I should like to speak to that point of order.

Some hon. Members: Sit down.

Mr. Woolliams: Briefly, what the hon. member for Bonavista-Twillingate has suggested is that although you ruled me out of order, Mr. Chairman, he can still speak on the subject on which you ruled me out of order.

Mr. Chevrier: You disregarded the ruling. You carried on.

The Chairman: Although I suggested the hon. member for Bow River was out of order, my ruling did not seem to create too much of an impression and I do feel that the remarks which are now being made by the Secretary of State are just as relevant to the resolution as those which were made by the hon. member.

Mr. Horner (Acadia): On the point of order, Mr. Chairman, you ruled twice, if not three times, to restrict the hon. member for Bow River in speaking on the subject he was dealing with. Now you suggest that the hon. member for Bonavista-Twillingate is speaking on a similar subject and, while you may not have been too successful in curtailing the remarks of the hon. member for Bow River you apparently intend to give the hon. member for Bonavista-Twillingate a free hand. I object entirely to that procedure.

Some hon. Members: Hear, hear.

The Chairman: Order. I appreciate that much has been said in the course of this debate which was probably beyond the terms of the resolution we have before us. It is not always easy for hon. members to limit their remarks strictly to the terms of the resolution. On the other hand, I am sure hon. members appreciate that it is not easy for the Chair to limit debate at all times, and to impose a ruling on hon. members, if they insist on continuing the trend of thought on which they

have started. I feel sincerely that when I interrupted the hon. member for Bow River he was out of order to some extent. I asked for his co-operation and he did co-operate to some extent. A point of order has been raised and I think we should give the Secretary of State a chance to relate his remarks to the resolution before us.

Mr. Woolliams: With the greatest respect, I am sure you did not mean any slight on an hon. member of this house when you suggested that I co-operated only slightly, or used words to that effect. I am sure you did not impute any motive, or infer that I did not endeavour to co-operate.

The Chairman: There is no question of motives at all, I can assure the hon. member.

Mr. Pickersgill: I intended to quote, as the hon. gentleman purported to quote—

Mr. Woolliams: On a question of privilege. The hon. member for Bonavista-Twillingate has challenged me. He said I purported to quote something and I challenge the hon. member for Bonavista-Twillingate to say I misquoted the document from which I was reading. I ask him to withdraw those remarks.

Some hon. Members: Withdraw.

Mr. Woolliams: I appreciate that the hon. gentleman sits on the front bench, but I see no reason why there should be one rule for him and another for the backbenchers.

The Chairman: Hon. members should realize that the Chair is the servant of the house. If there is to be any order in the committee there should be some co-operation with the Chair, even if the Chair should be wrong or make rulings which are not entirely to the satisfaction of individual members. I think hon. members should try to co-operate with the Chair to that extent. There are only three minutes to go before ten o'clock—

Mr. Horner (Acadia): Call it ten o'clock if you like.

The Chairman: The Secretary of State has the floor. It is up to him to make his speech and he should be given an opportunity to complete what he has to say in the last few minutes we have this evening.

Mr. Pickersgill: I asked the chief whip opposite to send me the document from which the hon. gentleman quoted. Instead of doing so, the hon. gentleman left the house with the document. But I am not concerned about that. I have the floor, and I want to quote from the official—

Mr. Winkler: On a question of privilege.

[The Chairman.]

The Chairman: Order. Will all hon. members sit down, please. The hon. member for Grey-Bruce has the floor on a question of privilege.

Mr. Winkler: As is my duty as chief opposition whip I like to endeavour to the best of my ability to keep my members served with honest proof of the points they are putting forward. As soon as the leader of the house raised this point—I have found him amiable on most other occasions, though not on this one—I communicated with the person who supplied me with this document, but that person did not give me permission to transmit this document to the leader of the house. I therefore left the chamber and made further communications but privilege was still not extended to me. However, it is at this time, and I should like to relate what this document—

Mr. Pickersgill: On a point of order, Mr. Chairman. My point of order is that there is obviously no question of privilege whatsoever. This is nothing but an attempt to prevent me from making quotations from these two documents I have in my hand and I hope I shall be permitted to make those quotations without further interruption. I listened without interruption while the hon. member opposite was making the quotation—

An hon. Member: A point of order.

Mr. Pickersgill: The documents from which I wish to quote—

Mr. Winkler: May I speak to that point of order?

Some hon. Members: Closure.

Mr. Winkler: There is no attempt being made on my part to curtail the speech of the Secretary of State on behalf of the government, none whatsoever. He can quote from any documents he desires. However, I should like to read into the record from the two documents I have, documents which were printed as official literature by the Liberal party.

Mr. Pickersgill: I have the floor, Mr. Chairman.

The Chairman: Order. Would both hon. members please resume their seats.

An hon. Member: Whoop it up.

The Chairman: A point has been made by the hon. member for Grey-Bruce—

Mr. Winkler: I have asked that I might have the privilege of reading these documents.

Mr. Gregoire: On a point of order. May I call it ten o'clock?

The Chairman: I do not expect we have unanimous consent to go beyond ten o'clock, so, it being ten o'clock, shall I rise and report progress and ask leave to sit again?

Progress reported.

Mr. Pickersgill: You succeeded very well.

BUSINESS OF THE HOUSE

Mr. Churchill: I wonder if the leader of the house would let us know the order of business for tomorrow.

Mr. Pickersgill: Tomorrow we shall continue with the debate on this resolution and I am sure the Canadian public will be edified to learn that, although there has been almost no participation from this side of the house, the opposition is taking three days to give the people the old age pension.

Mr. Monteith: I should certainly like to point out—

Mr. Pickersgill: It is ten o'clock.

Mr. Monteith: I should like to point out—

Mr. Deputy Speaker: Order. It being ten o'clock I do now leave the chair.

Mr. Pickersgill: I appeal to Your Honour to let him speak.

Some hon. Members: Sit down.

Some hon. Members: Closure.

Mr. Deputy Speaker: Order. It being ten o'clock this house stands adjourned until 2.30 tomorrow afternoon.

It being two minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, October 2, 1963

The house met at 2.30 p.m.

SUPPLEMENTARY ESTIMATES, 1963-64

A message from His Excellency the Governor General transmitting supplementary estimates for the financial year ending March 31, 1964, was presented by Hon. Walter L. Gordon (Minister of Finance), read by Mr. Speaker to the house, and referred to the committee of supply.

FINANCE

MACHINERY—TABLING OF TARIFF BOARD REPORT ON REFERENCE NO. 130

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I wish to table a report which I received from the tariff board. It is the first volume of the board's report on reference No. 130 relating to machinery and equipment used in the mining industry and the oil and gas industries.

Volume II has not yet been received from the board. I am tabling copies of the report in French and English, also a transcript of the evidence received at the public hearings. The volume which I am tabling contains recommendations relating to articles of oil field machinery, equipment and apparatus used in natural gas plants. These recommendations, together with those to be included in the part of the report which is not yet available, will receive full consideration by the government.

WORLD FAIR

INVITATION TO MEMBERS AND PRESS GALLERY TO RECEPTION AND LUNCHEON

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I am pleased to extend to all hon. members on behalf of the commissioners of the world fair corporation and His Worship the Mayor of Montreal a cordial invitation to visit the site of the world fair on Saturday morning and a reception and luncheon which will follow on St. Helen's island. I should be pleased if the whips of the various parties would let me know some time today how many propose to attend. We hope to be able to leave by air from Ottawa around 9.30 in the morning and be back around four o'clock in the afternoon. May I also extend this invitation on behalf of the commissioners and the mayor of Montreal to the members of the press gallery.

INCOME TAX ACT

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I move for leave to introduce Bill C-95, to amend the Income Tax Act, based on the Income Tax Act resolution concurred in by the house on July 23, 1963.

Motion agreed to and bill read the first time.

PUBLIC SERVICE

PROVISIONS RESPECTING EMPLOYMENT OF BILINGUAL PERSONS

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved for leave to introduce Bill No. C-96, respecting employment of bilingual persons in the public service and in crown corporations.

Some hon. Members: Explain.

[*Translation*]

Mr. Pigeon: In so far as the thing is possible, this bill would provide for the suppression, within the civil service and the crown corporations, of the discrimination which marks at the present time the hiring and employment of French speaking personnel, and it would give preference to bilingual candidates.

Such a bill would surely be of much greater use than a royal commission.

[*Text*]

Motion agreed to and bill read the first time.

CANADIAN FLAG

PROVISION FOR ADOPTION OF RED ENSIGN

Mr. J. N. Ormiston (Melville) moved for leave to introduce Bill No. C-97, to adopt a national flag (Canadian red ensign).

Some hon. Members: Explain.

Mr. Ormiston: The purpose of this bill, Mr. Speaker, is to adopt by formal act of parliament the Canadian red ensign as the national flag of Canada.

Mr. Speaker: Is it the pleasure of the house that the hon. member shall have leave to introduce the said bill?

Proposed Legislation

Mr. Gregoire: On division.

Motion agreed to, on division, and bill read the first time.

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

Mr. Gregoire: In 20 years.

Mr. Speaker: Next sitting of the house. Agreed?

Some hon. Members: On division.

NATIONAL CENTENNIAL ACT

AMENDMENTS CHANGING NAME, ENLARGING MEMBERSHIP OF ADMINISTRATION, ETC.

Right Hon. L. B. Pearson (Prime Minister) moved that the house go into committee at the next sitting to consider the following resolution, which has been recommended to the house by His Excellency:

That it is expedient to amend the National Centennial Act to change its short title from the National Centennial Act to the Centennial of Confederation Act and to change the title of the national centennial administration to that of the centennial commission; to provide also that the centennial commission shall consist of a commissioner, an associate commissioner and not more than twelve directors in lieu of eight directors and to provide further for certain administrative changes in connection therewith.

Motion agreed to.

RAILWAY ACT

AMENDMENT EXTENDING PAYMENTS FROM GRADE CROSSING FUND

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

That it is expedient to introduce a measure to amend the Railway Act, chapter 40 of the statutes of 1958, as amended by chapter 35 of the statutes of 1960, to permit certain grants to be made from the railway grade crossing fund for a further period of three years beyond January 31, 1964.

Motion agreed to.

ST. LAWRENCE SEAWAY AUTHORITY ACT

AMENDMENT TO INCREASE BORROWING AUTHORITY

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

That it is expedient to introduce a measure to amend the St. Lawrence Seaway Authority Act to provide that the authority, with the approval of the governor in council, may from time to time borrow money from Her Majesty or otherwise to an aggregate that shall not exceed at any time $535,000,000 in lieu of $345,000,000 which it is already authorized to borrow by section 13 of the act.

Motion agreed to.

AERONAUTICS ACT

AMENDMENTS RESPECTING CHARGES FOR USE OF FACILITIES AND SERVICES

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

That it is expedient to introduce a measure to amend the Aeronautics Act to authorize the governor in council to make regulations prescribing charges for the use of any facility or service provided by or on behalf of the Minister of Transport for or in respect of aircraft or at an airport and to make such regulations as he deems necessary to impose upon the owners or operators, wherever resident, of any aircraft, charges for the availability during any flights of such aircraft within or outside Canada of any facility or service provided by or on behalf of the minister; to provide also for the payment of certain expenses of witnesses attending before boards of inquiry established by the minister to investigate aircraft accidents; and to make certain other amendments for the better administration of the act.

Motion agreed to.

ADMIRALTY ACT

AMENDMENTS RESPECTING SALARIES OF JUDGE AND REGISTRAR

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

That it is expedient to introduce a measure to amend the Admiralty Act to permit the governor in council to authorize the payment of a salary not exceeding four hundred dollars per annum to a surrogate judge in admiralty and a salary not exceeding three hundred dollars per annum to a registrar in admiralty.

Motion agreed to.

CANADIAN OVERSEAS TELECOMMUNICATIONS CORPORATION ACT

AMENDMENTS RESPECTING CO-ORDINATION WITH OTHER NATIONS, ETC.

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

That it is expedient to introduce a measure to amend the Canadian Overseas Telecommunication Corporation Act to extend the co-ordination of Canada's external telecommunication services to include co-ordination with nations outside the British commonwealth; to increase the number of directors of

the corporation by two; to provide for the appointment and salaries of vice presidents; and to provide further for certain consequential changes in connection with the administration of the act.

Motion agreed to.

MARITIME TRANSPORTATION UNIONS

PROVISION FOR MANAGEMENT AND CONTROL BY TRUSTEES

Hon. A. J. MacEachen (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 provide for the placing of the maritime transportation unions of Canada under the management and control of trustees; to provide for the establishment of the board of trustees of the maritime transportation unions consisting of a chairman and two other members; to provide for the payment of their remuneration and expenses and to authorize the employment and remuneration of such personnel as may be necessary for the carrying out of the duties and powers of the trustees under the said measure.

Motion agreed to.

QUESTIONS

Mr. Pickersgill: The following questions are being answered today: 1,002, 1,003, 1,011, 1,062, 1,063, 1,075, 1,086, 1,097, 1,100, 1,109, 1,131, 1,133, 1,145, 1,149, 1,151, 1,153, 1,160.

If questions Nos. 477, 690 and 1,096 could be made orders for return the returns would be tabled immediately.

If Your Honour would be good enough to call starred question No. 1,064 I would ask that the remaining questions stand.

Mr. Pigeon: On a question of privilege, I do not know why my starred question No. 1,054 is not answered. I think there is no problem about answering that question.

Mr. Pickersgill: I will have inquiries made.

Mr. Pigeon: I hope so.

(Questions answered orally are indicated by an asterisk.)

CIVIL SERVICE COMPETITION 60-P-1D-133

Question No. 1,002—**Mr. Fisher:**

1. For what post was competition 60-P-1D-133 held (a) at what grade (b) at what salary and (c) what were the duties as advertised?

2. What was (a) the position held by the appointee to competition 60-P-1D-133 at the time of his promotion and (b) what was the position and grade held previously?

Mr. Pickersgill: I have been given the following answers by the civil service commission:

1. Chief purchasing agent, bilingual.

(a) Purchasing agent 6.

(b) $8,120-9,800.

(c) "Under general direction, as chief purchasing agent, to be responsible for the operation of the general purchasing division; to direct the purchase of approximately $18,000,000 yearly of stationery, paper, envelopes, office equipment, printing and plant equipment and supplies on behalf of this department and departments of the government subject to the Public Printing and Stationery Act; to direct the associated product research activities; to direct the maintenance of the necessary records and the preparation of related reports; to conduct surveys, report findings, and make recommendations; to organize and to establish procedures as necessary; to act for the superintendent of procurement, purchasing and stores in his absence and to perform other related duties as required."

2. (a) Administrative officer 5.

(b) Administrative officer 4.

CIVIL SERVICE COMPETITION 56-P-1D-87

Question No. 1,003—**Mr. Fisher:**

Was competition 56-P-1D-87, dated September 10, 1956, a competition for the post of secretary, department of public printing and stationery, and if so (a) what were the duties as advertised (b) was it one of the duties of the departmental secretary to be responsible for the custody, opening and recording of tenders and, if so, specify in detail what other duties were performed which resulted in (i) a number of years experience in purchasing or procurement (ii) a number of years experience in work related to purchasing or procurement (iii) specifically what duties were performed relative to purchasing or procurement (iv) what specific duties were performed at the planning or co-ordinating level of purchasing or procurement or work related to purchasing or procurement and (c) are the duties of the departmental secretary as listed on competition 56-P-1D-87, dated September 10, 1956, listed exactly the same, word for word, on competition 61-P-1D-38, dated March 14, 1961, for the post of departmental secretary vacated by appointee to competition 60-P-1D-133 and (d) were any duties relative to purchasing added to 61-P-1D-38?

Mr. Pickersgill: I have been given the following answers by the civil service commission:

1. Yes.

(a) "Under general direction, to act as executive assistant to the queen's printer and the assistant queen's printer; to conduct correspondence with other departments and the general public on matters of departmental services; to gather and correlate information and prepare reports on matters of general departmental procedures and to maintain a manual of departmental policies and regulations; to review submissions to treasury board as to form and agreement with departmental policies; to edit the departmental annual report; to act as secretary of various departmental committees; to be responsible for the

custody, opening and recording of tenders; to perform other related duties as required."

(b) Yes.

(i) Not a requirement.

(ii), (iii), (iv)—Other duties performed in work related to purchasing or procurement:

(A) Participation in the establishment and application of policy and procedures re procurement, purchases (publications) and others,

(B) Application of basic principles governing demands for tenders from buyers and the procedures to be followed,

(C) Together with the superintendent, procurement purchasing and stores branch, to set up regulations and procedures to protect both tenderers and buyers,

(D) Preparation and drafting of submissions to the treasury board for authorization to conclude purchase contracts—supplying explanations and information required in each case under the Financial Administration Act and the Public Printing and Stationery Act,

(E) Contacts with departmental chiefs, senior officers of other departments and representatives of suppliers,

(F) Direction and training of personnel, particularly in the publication's branch, where important changes were made,

(G) Through contacts with representatives from United Kingdom and United States acquired knowledge of procurement methods of Her Majesty's stationery office and of the government printing office of the United States,

(H) Knowledge of supplies and products purchased by the department since he participated actively, because of his duties, in almost every step of the purchase procedures,

(I) Work of organization and co-ordination necessarily incumbent upon the secretary of the department in almost the entire field of its activity.

(c) Yes.

(d) Yes, as follows: "to act as departmental control officer on miscellaneous matters such as condemnation boards, declarations of surplus to crown assets, stationery, furniture, telephones, accidents involving damage to departmental property, travel regulations, translation, etc.; to be responsible for the proper functioning of the departmental central registry, mail room and messenger service; to act as chairman of the departmental suggestion award plan;"

WORDING OF TEST FOR CHIEF PURCHASING AGENT

Question No. 1,011—**Mr. Fisher:**

On what official devolved the responsibility of filling the vacant post of chief purchasing agent in the purchasing and stores branch and (a) was he the originator of the test of the competition (b) was the wording of the original test changed in any way and, if so, specifically and in detail, (i) what words were added (ii) what words were deleted and (c) by whose direction were the changes made?

Mr. Pickersgill: I have been given the following answer by the civil service commission:

The responsibility for filling the vacant position of chief purchasing agent in the purchasing and stores branch rested with the civil service commission, and in this regard the poster advertising this position was examined and authorized by direction of the commission by Mr. J. H. Barron. Mr. P. R. Powers was the civil service commission officer chosen to conduct the oral examinations for this competition. No written examination was held.

TRANS-CANADA AIR LINES ADVERTISING ACCOUNTS

Question No. 1,062—**Mr. Fisher:**

1. What agency or agencies have the T.C.A. advertising accounts?

2. When did it, or they, receive it, and what is its estimated value?

3. Does a contract exist?

4. Was the account put up for speculative bid and, if so, what companies submitted bids, and at what price?

5. If not, on what grounds, in detail, did T.C.A. find for choosing the present agency as best for its purposes?

6. At any time in the negotiating or signing of any contract or completion of any arrangement, was T.C.A. in communication, for advice or approval, with a Mr. Keith Davey?

Mr. McIlraith: The management of Trans-Canada Air Lines advise as follows:

1 and 2. (a) Mather & Crowther, London, England, 1946; (b) McCann-Erickson, New York, 1956; (c) Foster Advertising Ltd., Toronto, 1961; (d) Cockfield, Brown & Co. Ltd., Montreal, 1948-1961; reappointed, 1963.

The value of these accounts varies from year to year according to the amount of the company's advertising budget. The total value of advertising to be placed through agencies for the year 1963 is estimated at $4,000,000.

3. No contract exists with any advertising agency.

4. Advertising accounts are not put up for speculative bids but agencies are selected on the basis of analytical criteria and continual review is made of these criteria to ensure the maintenance of a proper standard of service.

5. The present agencies were selected on the basis of the findings of a comprehensive survey of some 27 Canadian agencies.

6. No.

CANADIAN NATIONAL RAILWAYS ADVERTISING ACCOUNT

Question No. 1,063—**Mr. Fisher:**

1. What advertising agency handles the bulk of the C.N.R. account?
2. How long has it held the account, and what has been its value, by year, including the estimated value in 1963 and 1964?
3. Was the account awarded as the result of speculative bids and, if so, how many, and what companies submitted bids?
4. What capabilities of the successful agency led to its receipt of the account, if it was on another basis than price?

Mr. McIlraith: The management of Canadian National Railways advise as follows:

1. McConnell, Eastman and Co. Ltd.

2. Since March 1, 1960, the volume of advertising placed through the agency has ranged between $800,000 and $950,000 per annum.

3. Twenty four agencies were invited to submit information about their respective facilities, personnel services, existing accounts, etc. Following a study of this information discussions were held with each of the agencies and the selection made.

4. The selection was based on Canadian National's assessment of the agency's professional competence and its ability to service the company's advertising need.

*F.L.Q. MEMBERS, PRINTING BUREAU

Question No. 1,064—**Mr. Fisher:**

1. Has the R.C.M.P. investigated at the printing bureau in Hull any personnel suspected of belonging to the F.L.Q. and, if so, how many employees, if any, were found to belong to this organization?
2. What action has been taken on the matter, either by the R.C.M.P. or by the authorities in the queen's printer offices?

Mr. Pickersgill: 1. No.

2. None.

PICTOU LANDING, N.S., WHARFINGER

Question No. 1,075—**Mr. MacEwan:**

1. Will George E. Mason be replaced as wharfinger at Pictou Landing, Nova Scotia, on August 1, and, if so, why is he being replaced?
2. Under what authority is this change being carried out?

Mr. McIlraith: 1. Yes. Retired on grounds of age (70 years).

2. Section 6(1) of the Government Harbours and Piers Act.

DESIGNATION OF "SERVING" ON RETAIL PACKAGES

Question No. 1,086—**Mr. Orlikow:**

Is the government considering legislation or regulations establishing and defining the net quantity of any commodity (in terms of weight, measure or count) which shall constitute a serving, if that commodity is distributed to retail purchasers in a package or with a label which bears a representation as to the number of servings provided by the net quantity of contents contained in that package or to which that label is affixed?

Mr. Pickersgill: No.

RECEPTION CENTRES AND CLASSIFICATION OFFICERS, PENAL INSTITUTIONS

Question No. 1,097—**Mr. Orlikow:**

How many reception centres, recommended by the Fauteux report for classification of inmates initially committed, are there in Canada's penal institutions, and how many classification officers are there in each institution, and what are their academic qualifications and experience?

Mr. Chevrier: No reception centres have been established separately from receiving institutions in Canada's penitentiary service. Receiving institutions segregate newcomers in a special area and the procedures for reception, recommended by the Fauteux report are carried out, i.e., physical examination, psychological testing, educational and social histories.

At the institutional level, there are 65 classification staff positions on establishment. Five of these positions are at present vacant.

The classification positions in each institution, the academic qualifications and experience of their incumbents are as follows:

Dorchester Penitentiary

Supervisor of classification—B.A., M.A. (sociology)—eight years as probation officer and research assistant in mental health. Three years as administrative officer in B.W.I. One and one half years in classification.

Classification officer—one year university. Probation and parole officer, province of New Brunswick for three years. Three years social worker with children's aid society. Two years in classification. Attended correctional staff college (interviewing techniques, 1961).

Classification officer—B.A., B.Ed., high school teacher one year. Six months in classification.

Classification assistant—two years university. Six months with children's aid society, Nova Scotia. Nine months in classification.

Classification assistant—three years university. Six months in classification.

Springhill Institution

Classification officer—B.A. (psychology and sociology). Eleven years social welfare. Two years in classification. Attended correctional staff college course (interviewing techniques 1961).

Dorchester Farm Camp

Classification officer—Psychiatric attendant at the provincial hospital, Campbellton, N.B., since 1954. High school graduate. Appointed assistant hospital officer, Dorchester penitentiary in 1961. Promoted to classification officer at Dorchester farm camp in July 1963.

Questions

Blue Mountain Institution

Classification officer—B.A. almost complete. One year in classification.

St. Vincent de Paul Penitentiary

Supervisor of classification—B.A. equivalent. Thirteen years of penitentiary experience. Eleven years in classification. Former personnel selection officer (army).

Classification officer—B.A. (sociology). Nine months in classification.

Classification officer—Grade X plus university courses in criminology. Twenty three years experience in penitentiary. Five years in classification.

Classification officer—grade XII, plus university courses in criminology. Five years experience in penitentiary, three years in classification. Attended correctional staff college course on interviewing techniques, 1961.

Classification assistant—B.A. and two years of postgraduate studies in criminology. Two years in classification.

Classification assistant—B.A. Twenty years in R.C.A.F. mostly as personnel interviewer. One and one half years in classification.

Classification assistant—B.Sc. (sociology), two years postgraduate studies in criminology. Appointed June 1963.

St. Vincent de Paul Farm Camp

Classification officer—B.A. Two years in classification.

Federal Training Centre

Classification officer—B.A. Two years as personnel interviewer. Six years as classification officer.

Classification officer—two years university. Two years experience in classification.

Classification assistant—grade XII. Four years experience in classification. Attended correctional staff college course on interviewing techniques, 1961.

Leclerc Institution

Classification officer—three years university. Two years experience in social welfare. Two years in classification.

Classification officer—B.Sc., two years in personnel work. Two years in classification.

Classification assistant—senior matric. Diploma in socio-pedagogy. Two years penitentiary experience. Six months in classification.

Gatineau Correctional Camp

Classification officer (vacant).

Valleyfield Camp

Classification officer—B.A., B.S.W. Three years experience in social work. Six months in classification.

[Mr. Chevrier.]

Kingston Penitentiary

Supervisor of classification—M.S.W. Nine years as social worker. Three years in classification.

Classification officer—B.Soc.Sc., and one year law. Three years penitentiary experience. Four months in classification.

Classification officer—three years university. Attended two penitentiary courses on classification and interviewing techniques 1961. Fourteen years penitentiary experience, three years in classification.

Classification assistant—grade XII. Attended correctional staff college course on interviewing techniques 1961. Eighteen years experience in penitentiary, three in classification.

Classification assistant—senior matric. Attended two penitentiary courses on classification and on interviewing techniques 1961. Sixteen years experience in penitentiary, two in classification.

Classification assistant—senior matric. Attended correctional staff college course on interviewing techniques 1961. Former personnel selection officer (army). Two years in classification.

Classification assistant—grade X. Attended two penitentiary courses on classification. Thirteen years in penitentiary, two in classification.

Classification assistant—senior matric. Ten years correctional experience in Ontario. Attended correctional staff college course on interviewing techniques, 1961. Two years in classification.

Classification officer—B.Sc. in public administration and criminology. Three months in classification.

Prison for Women

Social worker—B.A., diploma in social work. Ten years social work experience. Six years in classification.

Collin's Bay Penitentiary

Classification officer—two years university. Attended penitentiary courses in classification and interviewing techniques 1961. Four years penitentiary experience, two years with classification.

Classification officer—grade X. Thirteen years penitentiary experience, four years with classification.

Classification officer—B.A. (sociology). Five months in classification.

Classification assistant—junior matric. Attended penitentiary courses in classification and interviewing techniques 1961. Six years penitentiary experience. Two years in classification.

Collin's Bay Farm Camp

Classification officer—three years university. Took course in classification 1961. Five years penitentiary experience. Three months in classification.

Landry Crossing Correctional Camp

Classification officer—junior matric. Took course in classification 1961. Twelve years penitentiary experience. Two years in classification.

Beaver Creek Correctional Camp

Classification officer—B.A. (psychology). Five months in classification.

Joyceville Institution

Classification officer—senior matric. Attended correctional staff college course on interviewing techniques 1961. Former personnel selection officer (army). Three years in classification.

Classification officer—B.A. (sociology). Four months in classification.

Classification assistant—grade X. Attended correctional staff college course on interviewing techniques 1961. Ten years penitentiary experience. Three years in classification.

Classification assistant—B.A. (psychology). Five months in classification.

Joyceville Farm Camp

Classification officer—senior matric. Six years penitentiary experience. One year classification.

Manitoba Penitentiary

Classification officer—two years university. Nine years with provincial corrections. Two years in classification.

Classification assistant—three years university. Two years with provincial corrections. One year in classification.

Manitoba Farm Camp

Classification officer—grade XI. Attended correctional staff college course on interviewing techniques 1961. Eight years experience in penitentiary. Two years in classification.

Saskatchewan Penitentiary

Classification officer—grade X. Attended correctional staff college course on interviewing techniques 1961. Twenty seven years experience in penitentiary. Nine years in classification.

Classification officer—grade XII. Attended correctional staff college course on interviewing techniques 1961. Ten years experience in penitentiary. Three years in classification.

Classification assistant—one year university. Two years penitentiary experience.

Classification assistant—three years university. Five months in classification.

Classification assistant—B.A. Five months in classification.

Saskatchewan Farm Camp

Classification officer (vacant).

British Columbia Penitentiary

Supervisor of classification—B.S.W. Two years postgraduate studies in criminology. Five years in provincial corrections. Two years in classification.

Classification officer—three years university. Fifteen years social work in corrections. Three years in classification.

Classification officer—B.A. (criminology). Three years in classification.

Classification assistant—B.A. Attended correctional staff college course on interviewing techniques 1961. Thirteen years penitentiary service. Three years in classification.

Classification assistant—grade XII. Graduate school of psychiatric nursing. Eight years rehabilitation work. One year in classification.

William Head Institution

Classification officer—senior matric. Over 25 years with R.C.M.P. Appointed classification officer August 1963.

Agassiz Correctional Camp

Classification officer—high school education. Attended correctional staff college course on interviewing techniques 1961. Eight years penitentiary experience. Six years in classification.

MEDICAL CENTRES FOR CERTAIN PRISONERS

Question No. 1,100—**Mr. Orlikow:**

Is the government considering implementing the recommendation of the Fauteux report that special prison medical centres be established for prisoners who are alcoholics, drug addicts, sex offenders or psychotics, which centres would provide suitable security or custodial arrangements but would have the atmosphere of a hospital?

Mr. Chevrier: Yes, as part of its long range plan of penitentiary construction.

AUTOMATIC PAROLE REVIEW

Question No. 1,109—**Mr. Orlikow:**

Is the government considering the recommendation of the Fauteux report that a system of automatic parole review should be instituted in Canada thereby dispensing with the present system which requires an application for parole and, if not, for what reason?

Mr. Chevrier: The Parole Act, proclaimed in force as of February 15, 1959, provides, at the time prescribed by the regulations, for a review of "the case of every inmate serving a sentence of imprisonment of two years or more, whether or not an application has been made by or on behalf of the inmate". In the

case of an inmate serving a sentence of imprisonment of less than two years, the obligation to review exists, upon application by or on behalf of the inmate.

The parole regulations became effective on September 1, 1960, and the system of automatic parole review recommended by the Fauteux report came into effect at the same date in the case of penitentiary inmates and of prison inmates serving aggregate sentences of two years or more.

ROYAL COMMISSION ON DIVORCE LAWS

Question No. 1,131—**Mr. Mather:**

Is the government giving consideration to the establishment of a royal commission on laws affecting divorce?

Answer: No.

ROYAL COMMISSION ON ABORTION LAWS

Question No. 1,133—**Mr. Mather:**

Is the government giving consideration to the appointment of a royal commission on laws affecting abortion?

Answer: No.

DIPLOMATIC RELATIONS WITH COMMUNIST CHINA

Question No. 1,145—**Mr. Lambert:**

Has the Prime Minister received a communication from the state council of the province of Alberta of the Knights of Columbus embodying a resolution expressing the strongest opposition to diplomatic recognition of communist China by Canada and, if so has the government made a review of its diplomatic relations with communist China, and what has been the result?

Mr. Pearson: The answer to the first part of the question is yes.

With respect to the second part of the question, communist China is a subject which is receiving the government's attention. As my colleague, the minister for external affairs, emphasized to the house on July 26, this should not be taken as an indication of the adoption of a new policy on recognition of communist China.

SERVICES OF BUSINESS CONSULTANTS, PUBLIC PRINTING AND STATIONERY

Question No. 1,149—**Mr. Fisher:**

Were the services of any business consultants employed by the department of public printing and stationery during the years 1961 and 1962 and if so (a) what was the nature and extent of their work (b) when was it started (c) when was it stopped (d) who arranged for and authorized their employment (e) what was the contract price (f) what was the name of the firm (g) how many men were employed (h) why was the firm chosen (i) was it previously employed by the Glassco commission in the department of public printing and stationery (j) was the study completed and, if not (k) why was it terminated (l) who authorized the termination (m) for what reason and (n) what price was finally paid?

[Mr. Chevrier.]

Mr. Drury: Yes, during 1961.

(a) To assist the department of public printing and stationery in carrying out a methods and standards program, with a view to completing the establishment of standards by the end of 1962.

(b) October 20, 1961.

(c) December 12, 1961.

(d) The Department of Public Printing and Stationery and treasury board (minute 586148).

(e) $111,600.

(f) P.A. Management Consultants Limited.

(g) One.

(h) P.A. Management Consultants Limited are an international organization and have specialized in the field of printing.

(i) Yes.

(j) No.

(k) On instructions from the office of the Secretary of State.

(l) The office of the Secretary of State.

(m) No reasons given.

(n) $7,077.54.

C.N.R. LEASE OF ROLLING STOCK

Question No. 1,151—**Mr. MacEwan:**

1. How many of each of the following units of equipment are under lease by the Canadian National Railways from United States companies (a) mechanical refrigerator cars (b) tri-level cars, and (c) hydro frame cushion boxcars?

2. Are any other types of railway rolling stock under lease in Canada by the C.N.R. from United States companies and, if so, how many of each type of unit?

Mr. McIlraith: The management of Canadian National Railways advise as follows:

1. (a) 80; (b) 20; (c) 10.

2. No.

RICHARD O'HAGAN

Question No. 1,153—**Mr. Fisher:**

Is Richard O'Hagan on the salary list and an employee of the Prime Minister's office and, if so (a) is Mr. O'Hagan in receipt of another income from or through his former employer, MacLaren's Advertising Company Limited and (b) what is the scale of the latter remuneration?

Answer: Yes.

(a) No.

(b) Not applicable.

AGENT FOR LIBERAL CANDIDATE, NOTRE DAME DE GRACE CONSTITUENCY

Question No. 1,160—**Mr. Korchinski:**

What was the name and address of the official agent for the Liberal candidate in the riding of Notre Dame de Grace in the election of April 8, 1963?

Mr. Pickersgill: K. C. MacKay, Q.C., 5011 Mira road, Montreal, P.Q.

QUESTIONS PASSED AS ORDERS FOR RETURN

FORMER CIVIL SERVANTS NOW CABINET MEMBERS

Question No. 477—**Mr. Valade:**

How many of the present ministers of the crown were employees of the federal public service; who are they, and what position did each one hold?

Return tabled.

RECOMMENDATIONS OF JOINT COMMITTEE ON INDIAN AFFAIRS

Question No. 690—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) Education is the key to the full realization by Indians of self-determination and self-government.

(b) Education of Indian children in schools under the jurisdiction of the provinces should be continued and expanded.

(c) Kindergarten facilities for Indian children should be provided.

(d) The provincial authorities should be approached to ensure that a more comprehensive and accurate account of the Indian people is used and described in history courses and texts.

(e) Agreements should be entered into with provincial authorities to extend adult education facilities to Indians with the program expanded.

(f) Travelling library facilities to Indian communities should be expanded wherever possible.

(g) Academic upgrading and social orientation courses to prepare young Indians for placement or specialized training should be greatly expanded.

(h) Full support and encouragement should be given to formation of home and school or parent-teacher associations.

(i) The fullest possible encouragement and incentive should be given to Indian children to go as far as they can in school.

(j) In addition to an intensive educational program, the economic opportunities and environment of the Indian people should be developed.

(k) The Canadian Broadcasting Corporation and other agencies should prepare factual presentations of the Indians' way of life and their contribution to the development of Canada."?

Return tabled.

TERRITORIAL CONSTRUCTION PROJECTS, MACKENZIE DISTRICT AND FORT SMITH AREA

Question No. 1,096—**Mr. Rheaume:**

1. What territorial construction projects including roads are planned for the 1963-64 fiscal year in (a) Mackenzie district and (b) Fort Smith area?
2. How many of these projects for each of the above areas will be carried out by (a) Department of Northern Affairs and National Resources and (b) private contractors?

Return tabled.

MOTIONS FOR PAPERS

ACCEPTANCE OF FISHERIES COMMISSION RECOMMENDATION RESPECTING HALIBUT

Motion No. 62—**Mr. Knowles (for Mr. Barnett):**

That an humble address be presented to His Excellency for a copy of the cabinet minute or other official document which authorized the Secretary of State for External Affairs to notify the executive director, the international north pacific fisheries commission, by telegram under date of May 10, 1963, that the commission's recommendations for the removal of the halibut stocks in the eastern Bering sea and the herring stocks west of the Queen Charlotte islands from the annex to the convention had been accepted by the government of Canada.

Mr. Hellyer: I wonder whether in view of the absence of the minister the hon. gentleman would care to let this motion stand?

Mr. Knowles: Yes.

Motion stands.

MAINTENANCE OF ALASKA HIGHWAY

Motion No. 64—**Mr. Nielsen:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents, reports, engineering or other surveys, communications, correspondence or other papers, with respect to the (a) all-weather maintenance of the road from Haines junction in the Yukon Territory to Haines in the state of Alaska, U.S.A. (b) existing maintenance costs of the northwest highway system in maintaining the said road by the northwest highway system of the Canadian army and (c) paving of the said road.

He said: The Minister of National Defence has kindly supplied me with most of the information I require and has given me permission to consult with his officials as to the remainder. However, there are certain reports and correspondence which come under the jurisdiction of the minister of northern affairs and which still require production. I do not see the minister or his parliamentary secretary in their seats. As I say, there are still these reports which should be produced.

Mr. Hellyer: In those circumstances perhaps the hon. gentleman would allow the motion to stand.

Mr. Nielsen: Yes.

Motion stands.

ROAD FROM CARCROSS, Y.T. TO SKAGWAY, ALASKA

Motion No. 65—**Mr. Nielsen:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents, reports, engineering or other surveys, communications, correspondence or other papers, with respect to the construction of a road from Carcross in the Yukon Territory to Skagway in the state of Alaska in the U.S.A.

Mr. Hellyer: In view of the absence of the minister in this case I wonder whether the hon. gentleman would agree to allow the motion to stand?

Mr. Nielsen: Yes.

Motion stands.

PAVING OF ALASKA HIGHWAY

Motion No. 66—**Mr. Nielsen:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents, reports, engineering or other surveys, communications, correspondence or other papers, with respect to the paving of the Alaska highway through to the Yukon-Alaska boundary.

He said: Mr. Speaker, this motion has been satisfied by the Minister of National Defence co-operating with me and producing the material. While I am on my feet, may I draw Your Honour's attention to the fact that motions Nos. 78, 79 and 80 are duplications, and if it is in order for me to do so perhaps I might be allowed to withdraw those motions.

Mr. Speaker: Does the house give consent to the withdrawal of motions for production of papers Nos. 78, 79 and 80 as requested?

Mr. Hellyer: And No. 66.

Mr. Nielsen: And No. 66.

Mr. Speaker: And No. 66?

Some hon. Members: Agreed.

Orders discharged and motions withdrawn.

REPRESENTATIONS BY CANADA RAILWAY EMPLOYEES ASSOCIATION

Motion No. 76—**Mr. Fisher:**

That an order of the house do issue for a copy of all replies of any kind given by the Prime Minister or other cabinet ministers to representations made by the Retired Canada Railway Employees Association, Incorporated, to the Prime Minister in August 1963.

Motion agreed to.

PENHOLD, ALTA.—USE AS JET TRAINING BASE

Motion No. 81—**Mr. Lambert:**

That an order of the house do issue for a copy of all telegrams, correspondence, reports, briefs and memoranda, and any replies thereto, received by the Minister of National Defence the Minister of Transport, or any minister of the government or any government official, from the cities of Edmonton, Calgary and Red Deer, any civic organizations therefrom or any other interested parties, since January 1, 1963 to date, relative to the projected use of R.C.A.F. station Penhold, Alberta, for a jet training base of the Department of National Defence.

Motion agreed to.

[Mr. Nielsen.]

PENHOLD, ALTA.—REPORTS RESPECTING USE AS JET TRAINING BASE

Motion No. 82—**Mr. Churchill:**

That an order of the house do issue for a copy of the 1963 report of the Department of Transport regarding the establishment of the Penhold jet training base which was made prior to the calling of the tenders for construction of facilities in the said base; and any further report secured by the Department of Transport which preceded the reversal of the earlier decision to establish the jet training base.

Mr. McIlraith: Mr. Speaker, I would draw your attention to the fact that the report asked for, if there were one, would be a departmental document made by certain officers within the department and therefore could not be produced. In addition I might say that there is no such report on record. Therefore I would ask the hon. member to withdraw the motion.

Mr. Speaker: Does the hon. member consent to having the said motion dropped?

Mr. Churchill: I understand from the minister that there is no such report. Therefore nothing can be done.

Order discharged and motion withdrawn.

LETTERS FROM AND TO HAL BANKS

Motion No. 83—**Mr. Churchill:**

That an order of the house do issue for a copy of all letters and replies thereto that passed between Hal Banks and/or other officials of the S.I.U., and any member of the government or any official of a government department, since the 12th of April last.

Motion agreed to.

CANADA PENSION PLAN

Motion No. 84—**Mr. Diefenbaker:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all correspondence between the federal and provincial governments or any ministers thereof in regard to the Canada pension plan.

Mr. Pearson: Mr. Speaker, I wonder whether the right hon. gentleman would permit this motion to stand until next week.

Mr. Diefenbaker: Yes.

Motions stands.

CANADA—U.S. AGREEMENT ON NUCLEAR WEAPONS

Motion No. 85—**Mr. Diefenbaker:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the recent agreement on nuclear weapons entered into between the government of Canada and the United States of America.

Mr. Pearson: Mr. Speaker, this motion is for the production of a defence agreement

with the United States of America, which cannot be made public for reasons of national and NATO security and in accordance with the position taken by the right hon. gentleman himself on February 20, 1959 and subsequently. Therefore I would ask that it be withdrawn.

Mr. Diefenbaker: Mr. Speaker, in view of the fact that the right hon. gentleman has seen fit to refer to me I should be able to reply. I never provided expurgated editions. The right hon. gentleman did so when the press announcement was made in regard to this agreement. Having done so, he waived the right of the government to take the stand he now takes, and I want the motion proceeded with.

Mr. Speaker: Under the rules of the house I am obliged to put the motion to the house.

The house divided on the motion (Mr. Diefenbaker) which was negatived on the following division:

Division

YEAS

Messrs:

Aiken
Alkenbrack
Balcer
Beaule
Belanger
Bell
Bigg
Boutin
Brewin
Cadieu (Meadow Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Casselman, Mrs.
Chatterton
Churchill
Cooper
Côté (Chicoutimi)
Danforth
Diefenbaker
Dinsdale
Dionne
Doucett
Douglas
Enns
Fane
Fisher
Forbes
Gauthier
Grafftey
Gregoire
Gundlock
Hales
Hamilton
Herridge
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Jones
Jorgenson
Kennedy
Kindt
Knowles
Lamb
Lambert
Laprise
Latulippe
Lessard (Lake St. John)
Loney
MacInnis
MacLean (Queens)
Macquarrie
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Marcoux
Monteith
Moore
Muir (Lisgar)
Nasserden
Nesbitt
Noble
Nugent
Orlikow
Ormiston
Pascoe
Paul
Perron
Pigeon
Plourde
Prittie
Pugh
Rapp
Rheaume
Ricard
Rondeau
Scott
Simpson
Southam
Starr
Stefanson
Stenson
Thomas
Vincent
Watson (Assiniboia)
Webster
Weichel
Winch
Winkler—91.

NAYS

Messrs:

Addison
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Bechard
Beer
Benidickson
Benson
Berger
Blouin
Boulanger
Byrne
Cameron (High Park)
Cantin
Cardin
Caron
Carter
Chevrier
Choquette
Chretien
Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Drouin
Dupuis
Emard
Ethier
Eudes
Favreau
Forest
Forgie
Francis
Garland
Gelber
Gendron
Godin
Gray
Greene
Groos
Habel
Haidasz
Hahn
Harley
Hays
Hellyer
Honey
Jewett, Miss
Kelly
Klein
Lachance
LaMarsh, Miss
Lamontagne
Lamoureux
Laverdiere
Leboe
Leduc
Loiselle
Macaluso
Macdonald
MacEachen
MacNaught
McIlraith
McLean (Charlotte)
McMillan
McNulty
McWilliam
Matheson
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nicholson
O'Keefe
Olson
Otto
Patterson
Pearson
Pepin
Pickersgill
Pilon
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Ryan
Sharp
Tardif
Teillet
Temple
Thompson
Tucker
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—105.

Mr. Gordon: Mr. Speaker, I was paired. Had I voted I would have voted against the motion.

Mr. Roxburgh: Mr. Speaker, I was paired. Had I voted I would have voted against the motion.

Mr. Cashin: Mr. Speaker, I was paired. Had I voted I would have voted against the motion.

Mr. Granger: Mr. Speaker, I was paired. Had I voted I would have voted against the motion.

[Editor's note: Owing to the difficulty of recording pairs announced simultaneously, the above list is not complete.]

Inquiries of the Ministry

LABOUR RELATIONS

ST. LAWRENCE RIVER—THREATENED STRIKE OF LONGSHOREMEN

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 Minister of Labour and ask him what is being done at the moment to bring about the settlement of the strike of the longshoremen of the St. Lawrence ports scheduled for Friday. What action is being taken, and will he take the house into his confidence and let us know that this strike will not take place, affecting, as it will, not only Canada's exports but her economy as a whole?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I am glad to give this information to the house. Earlier in the day I announced that in order to provide the parties with a final opportunity for settlement of the dispute involving longshoremen employed by the Shipping Federation of Canada at Montreal, Three Rivers and Quebec, a federal mediator had been appointed in the person of Judge Rene Lippe of Montreal. I have advised the representatives of the international longshoremen's association and the shipping federation accordingly.

Judge Lippe has had wide and successful experience as a conciliation and arbitration board chairman for both the federal and provincial authorities and is in an excellent position to assist the parties to reach an early settlement. Judge Lippe is in contact, I understand, with the parties this afternoon in an initial effort to reach a settlement before the strike on Friday, and it is to be hoped that his efforts will prove successful.

Mr. Diefenbaker: By way of a supplementary question, Mr. Speaker, if those efforts are not successful, in view of the dangerous state of affairs that will result, what action does the government intend to take?

Mr. MacEachen: Mr. Speaker, I think it would be premature to prejudge the efforts of Judge Lippe. We ought to wait until time has taken its course before deciding what would be the best way to deal with any eventualities. But the government is aware of all the possibilities inherent in this situation and is giving full consideration to what ought to be done under certain conditions.

NORRIS COMMISSION—REPORT OF SPECIAL COUNSEL

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask a question of the Minister of Justice. Has the minister received any report from the special counsel whom he appointed to delve into possible charges that might be laid in connection with the Norris commission report?

Hon. Lionel Chevrier (Minister of Justice): Yes, Mr. Speaker, I have received an interim report from Mr. John Robinette, Q.C. and Mr. Jean Martineau, Q.C. The report is now being studied by the officers of the Department of Justice. From the report it is clear that there will have to be consultation between the officers of the department and the two persons who were asked to make recommendations, namely Mr. Robinette and Mr. Martineau.

[*Later:*]

Mr. Starr: Mr. Speaker, I should like to ask the Minister of Justice a question supplementary to the one I asked earlier. Can he give us any indication when the meeting between the special counsel and the department heads with regard to the Norris commission report will be held?

Mr. Chevrier: Mr. Speaker, I cannot add anything to what I have already said. I think the answer to the question would depend on what the report is as between our officers and the two counsel appointed to deal with the matter in question.

Mr. Diefenbaker: Banks seems to be a favourite son.

CANADA DEVELOPMENT FUND

REPORTED INTENTION NOT TO PROCEED WITH LEGISLATION

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure all hon. members would want to welcome back the Minister of Finance from his visit to Washington and his appearance before the international monetary fund administration.

Some hon. Members: Hear, hear.

Mr. Douglas: I would like to ask the minister whether he would either deny or confirm reports that the government has decided not to proceed with the Canada development fund legislation. This is an important matter, and I think the house ought to be informed if the government has definitely decided not to proceed at this session with this important measure.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I thank my hon. friend for his kind remarks. I can assure him that the government has not reached any such decision; that is, not to proceed with this legislation. When we will proceed

with it is a matter that will be worked out by the cabinet with the advice of the house leader.

Mr. Douglas: A supplementary question, Mr. Speaker. Can the minister give us some idea of when it is the intention to proceed with this measure?

Mr. Gordon: Mr. Speaker, I think I really answered that question in my reply to the original question.

Mr. Diefenbaker: Was that not in the 60 days?

Mr. Gordon: As I say, Mr. Speaker, it will depend on how fast we get through the various things that are now before the house.

AIR TRANSPORT

REQUIREMENTS RESPECTING AIR LANES AND BUFFER ZONES

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I address my question to the Minister of Transport. Would the minister inform the house of the latest regulations of his department concerning jet training as they relate to requirements in regard to air lanes and buffer zones.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I do not think I can take the time of the house on orders of the day to set out the details of the safety regulations in this connection. The hon. member raised a question on this subject two days ago in relation to the air field at Penhold. I would like to point out to him that our responsibilities under the Aeronautics Act place a primary emphasis upon the maintenance of safety in flying, and we in Canada are proud of the record which has been achieved in this regard. It is our responsibility to ensure that arrangements relating to flying provide the maximum degree of safety to those in the air and those on the ground.

This has involved not only an extensive, well equipped and highly competent air traffic control system and a well equipped and well laid out system of high level and low level airways and air routes across Canada, but general arrangements for the separation of various types of traffic to avoid the risk of air collision.

I can give the hon. member more information on this subject if he wants it, Mr. Speaker, but I do not know how much time I should take on orders of the day.

Mr. Thompson: A supplementary question, Mr. Speaker. Are these regulations to which the minister is referring uniform for all air patterns across the country and for all areas where training is taking place?

Mr. McIlraith: Yes, but there is a situation where aircraft are not uniform in different parts of the country. There are problems like that which arise. For instance, certain types of aircraft do not fly over 30,000 feet; they are not capable of it. There are questions like that which enter into this matter.

Mr. Thompson: A supplementary question. The minister has answered my question as it relates to safety. My question was, what are the safety zone requirements as they are presently laid out for this type of training? This question requires only a very short answer, and it is an urgent matter.

Some hon. Members: Order paper.

Mr. Speaker: I suggest to the hon. member that his question be put on the order paper. The answer requires a great deal of detail.

NATIONAL DEFENCE

INQUIRY AS TO NEW U.S. BASES IN CANADA

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of National Defence, if you please.

Does the agreement between Canada and the United States on nuclear weapons include the setting up of new American defence bases in Canada?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it does not include the construction of any new defence bases.

USE OF FRENCH AS COMMAND LANGUAGE

On the orders of the day:

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Associate Minister of National Defence. Could the minister tell the house what practical reasons account for the fact that the French language has no place in the three Canadian armed services, as he stated not so long ago?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, I think my hon. friend has misinterpreted the statements I made. I feel sure he knows what steps have been taken and what steps are planned to encourage bilingualism in the Department of National Defence and within the three armed services of Canada.

However, in the case of Canadian armed forces taking part in a mission under an international body such as NATO or NORAD,

where headquarters are made up of officers from various countries and the forces of several nations are supposed to work together, in order to avoid any misunderstanding from a security point of view, it has been agreed that words of command are to be given in English.

Now, for my hon. friend's information, I might add that neither France nor Italy nor Germany nor any of the other member countries of NATO were opposed to English being the language of command and that none of those countries felt that decision was unfair to them.

[*Text*]

D.E.W. LINE—REPORTED OBJECTION TO EMPLOYEES JOINING UNION

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to address my question to the Minister of National Defence. Can the minister inform the house why the United States firm that is responsible for the maintenance and operation of the D.E.W. line objects to giving 600 workers the right to affiliate with a union, as was reported in the newspapers?

Hon. Paul Hellyer (Minister of National Defence): I think that is another question that should be put on the order paper.

Mr. Pigeon: On a point of order, I think this is a proper question to address to the Minister of National Defence. It is an urgent question. It is the right of these workers to be affiliated with a union and it is the duty of the Minister of National Defence to answer the question right now.

POWER

COLUMBIA RIVER—STATEMENTS MADE DURING PROVINCIAL ELECTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question of national significance to the Prime Minister.

Some hon. Members: Oh, oh.

Mr. Herridge: In view of the fact that Mr. Ray Perrault when speaking in the Kootenays during the recent provincial election said "Throughout the entire course of negotiations with the United States and with the government of B.C. the Liberal party of B.C. has been in constant contact with the federal Liberal government"—

Some hon. Members: Order.

Mr. Herridge: —and later said that Canada is negotiating with the United States to postpone the high Arrow dam in favour of the low Arrow dam—

[Mr. Cardin.]

Mr. Speaker: Order. Will you please come to your question?

Mr. Herridge: Yes, Mr. Speaker—and in view of the fact that Hon. Ray Williston said this was nonsense, would the Prime Minister inform the house who is telling the truth?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would certainly be out of order if I commented on the accuracy of statements of various participants in the recent election in British Columbia.

INDUSTRY

REQUEST FOR IMPROVED OPPORTUNITIES ON INDIAN RESERVES

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Industry, but in his absence I will direct it to the acting minister. With reference to a booklet describing the Department of Industry which has come to our desks today, which says in part under "Functions of the department", that the department—

—will work with all agencies at various levels of federal, provincial and municipal government to provide improved industrial opportunities in designated areas—

—can the minister inform the house whether consultation has taken place, or will take place, with the officials of the Indian affairs branch so as to provide improved industrial opportunities in the truly depressed areas, industrialwise and employmentwise, namely, the Indian reservations of Canada?

Hon. J. R. Nicholson (Acting Minister of Industry): Mr. Speaker, I feel that this question should be put on the order paper.

LANGUAGE REQUIREMENTS RESPECTING PERSONNEL OF NEW DEPARTMENT

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, I should like to put a question to the Minister of Industry but, in his absence, I shall direct it to the Prime Minister. My question is based on a press report. Is it true that the new Department of Industry requires a knowledge of both languages only from applicants who will be called upon to work in the province of Quebec or to deal with that province?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): It is important for all members of this new department and other departments to have a knowledge of both languages.

EDUCATION

SUGGESTED ESTABLISHMENT OF FEDERAL OFFICE

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to ask a question of the Prime Minister. The question arises out of a report in the *Globe and Mail* about a parent-teacher organization calling on the Prime Minister asking for the creation of a federal office of education. The report seemed to indicate that the Prime Minister adopted the proposal but thought it would require the consent of the provinces. My question is this. Does the government approve in principle of the creation of a federal office of education and, if so, will it be placed on the agenda of the forthcoming conference between the federal government and the provincial premiers?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, when the delegation was before me I said that I endorsed the aims of such an office which were put forward by them, those aims being for the exchange of educational information. But I went on to point out that this kind of education office should not be established without the consent of the provincial governments. This may be a matter which will be considered at the forthcoming provincial conference.

EXTERNAL AFFAIRS

SOUTH AFRICA—SUGGESTED TARIFF ADJUSTMENT ON LEAVING COMMONWEALTH

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, in the absence of the Secretary of State for External Affairs I shall direct my question to the Prime Minister.

Does the Canadian government intend to change its preferential tariff policy toward South Africa, which withdrew recently from the commonwealth?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, questions of tariff policy cannot be answered in this way on the orders of the day. When the estimates of the Departments of External Affairs and Trade and Commerce are up there will be an opportunity to discuss all these matters.

REQUEST FOR ESTABLISHMENT OF CANADA-U.S. PARLIAMENTARY COMMITTEE

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Prime Minister. Has the Prime Minister anything to report on the convening of the United States-Canada interparliamentary committee? Last May 29, in response to a question of mine, the Prime Minister said a meeting would be convened at an early date. I wonder how early is early.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is a matter in the efficient hands of Mr. Speaker, I believe, and it is not a responsibility of the government.

AGRICULTURE

MILK—REQUEST FOR RESTORATION OF SUBSIDY

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, I should like to direct a question to the Minister of Agriculture.

Does the minister intend to restore soon the premium which was paid to milk producers until last May, to assist the farmers of eastern Canada who were the most affected by the government's decision?

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, this is a question of government policy and any change will be announced after this matter has been dealt with.

BUSINESS OF THE HOUSE

REQUEST FOR APPOINTMENT OF COMMITTEE ON PROCEDURE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is addressed to the Secretary of State. In light of the nature of the proceedings of this house during the last two days, does the government intend to bring forward at an early date the resolution on the order paper for the appointment of a select committee to suggest changes that will assure the more expeditious dispatch of public business and other reforms of parliamentary procedure?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I welcome the objective the hon. gentleman has in mind and I renew at once the offer I made repeatedly before we adjourned, that I would bring this motion on today or any other day if it could be passed without debate so the committee could start sitting tomorrow. If that cannot be done, I will seek at the earliest possible time after certain urgent matters, such as interim supply and the measure now before the house, are disposed of to bring this matter forward for debate. But if there could be agreement to do it without debate it would facilitate the

objective that the hon. gentleman has in mind and which, I should judge from the applause, every hon. member has in mind.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I address a supplementary question to the Secretary of State. Why is he constantly asking for matters to be handled here without debate? Does he want to set up a dictatorship in this country?

Mr. Pickersgill: No, sir, but it does seem to me that perhaps one of the most useful reforms we could make is to refer matters to committees without debate, and then to debate them in the house after they have been considered by the committees and there is some subject matter to be debated.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I have a supplementary question.

May I take this opportunity to ask the Secretary of State when he intends to call the privileges and elections committee to study and decide upon the situation which exists at present in this part of the house?

Some hon. Members: That has already been announced.

[*Text*]

Mr. Pickersgill: Well, Mr. Speaker, since the government has no interest in attempting to impose a dictatorship in any part of the house, I feel I should tell the hon. gentleman that that is no part of the business of government. The committee has been set up; it has been established by the house and there is regular machinery for calling it together. However, I have ascertained from the chief government whip that a notice has gone out for a meeting tomorrow at ten o'clock.

Some hon. Members: Ten thirty.

Mr. Pickersgill: I am told it is ten thirty.

UNEMPLOYMENT INSURANCE

INQUIRY AS TO IMPLEMENTATION OF GILL REPORT

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, I should like to direct my question to the Prime Minister.

Does the government intend to study soon the recommendations of the Gill report on unemployment insurance or does it intend to introduce this fall legislation on that subject to assure the liquidity of the fund during the coming winter months?

[Mr. Pickersgill.]

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, legislation will be introduced on this important measure as soon as possible.

LABOUR CONDITIONS

ASSISTANCE TO OTHER THAN DESIGNATED AREAS

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I have a question for the Minister of Industry. In his absence I will direct it to the Prime Minister. What assistance will be forthcoming from the Department of Industry to areas other than those designated as depressed areas?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be glad to take that question as notice.

Mr. Heward Grafftey (Brome-Missisquoi): A supplementary question to the Minister of Labour, Mr. Speaker. Can the minister assure all hon. members of the house that before certain areas are designated as depressed areas local authorities are at all times consulted?

[*Translation*]

Mr. Pigeon: Mr. Speaker, they have regard for municipal autonomy.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): The designation of certain areas has been undertaken on the basis of the most objective criteria available, namely the unemployment and employment records of these areas. Such areas are eligible for assistance under special measures in order to accelerate their growth. That is the purpose, and I am sure municipalities in any part of Canada which feel any need of special assistance will welcome these particular measures, which apply solely to areas of designation.

Mr. Grafftey: Yes, but are local authorities consulted before they are designated as distressed areas, or is that name imposed on them by Ottawa without consultation?

Mr. MacEachen: I think the emphasis there is completely misplaced. The purpose is not to describe these areas as depressed, but rather as areas of future opportunity under the proposals made by this government.

Mr. A. D. Hales (Wellington South): My question is directed to the Minister of Labour, and it is supplementary to the question asked earlier. Would the minister consider changing the criterion used in designating areas by reducing it from an eight year average of

unemployment figures to a lesser number of years, so that it would be more in line with recent conditions?

Mr. MacEachen: I would say in reply to the hon. gentleman that the government is designating these particular areas for a period of one year. The situation will be reviewed at the end of that year and, in the interval, careful consideration will be given to perfecting the methods of designation so that these criteria may truly reflect the need in particular areas of this country.

Mr. Grafftey: With or without consultation with the municipalities?

Mr. Speaker: Order.

Mr. Grafftey: Answer yes or no.

Mr. MacEachen: It ought to be pointed out, too, that it is not fully accurate to speak of an eight year period as the period of designation. If these areas are to be eligible for special assistance because of their failure to grow as rapidly as other areas then, in order to test the need as a chronic condition, a certain time period must be used. That is why a duration of time is established among the criteria, as was done by the former government in its designation of areas under the double depreciation program; so this is not a novel idea at all.

Mr. Grafftey: The former government always consulted the municipalities.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Now that the Minister of Labour is in good spirit to answer questions, possibly he would answer this simple one. Before a municipal area is designated as a distressed area in order to qualify, are the officials of the municipality consulted?

Mr. MacEachen: First of all, I take exception again to the term "depressed" or "distressed". That is not the intention at all. We felt as a government that, given the opportunity, we ought to take responsibility, as we said we would do, for areas which ought to be given special assistance, not to do as the former government did and ask the municipality to come forward and make an application.

Some hon. Members: Oh, oh.

DATE OF COMMENCEMENT OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I should like to direct a question to the Minister of Labour. Can the minister tell the house why the government has delayed the winter works period until November 1?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): This particular point was fully covered in the statement made to the house last June announcing the winter works program.

VETERANS AFFAIRS

ELIGIBILITY OF VETERANS LAND ACT HOMES FOR BONUS

On the orders of the day:

Mr. W. B. Nesbitt (Oxford): I wish to direct a question to the Minister of Labour because I think this matter comes chiefly under his jurisdiction. Do persons building homes this fall and winter under the Veterans Land Act become eligible for the $500 bonus in connection with the winter housing program?

Hon A. J. MacEachen (Minister of Labour): My understanding is that they do, but if I am proven wrong on investigation I will tell the hon. member in the house.

INQUIRY AS TO PROGRESS OF CONSTRUCTION PROGRAM

On the orders of the day:

Mr. H. F. Jones (Saskatoon): Mr. Speaker I wonder whether the Minister of Veterans Affairs is in a position to advise the house of the government's intentions in respect of proceeding with the completion of necessary construction in his department this fall and, in particular, is he in a position to advise when he intends to call for tenders for the erection of the veterans home in Saskatoon?

Hon. Roger Teillet (Minister of Veterans Affairs): Mr. Speaker, I want to thank the hon. gentleman for advising me that he was going to ask this question. The government has a continuing long range program for the replacement, reconstruction and renovation of departmental treatment facilities. Announcements of the progress of this program will be made at appropriate times.

With respect to the veterans home in Saskatoon, instructions went forward some time ago to proceed with the replacement of existing facilities. I am informed by public works that tenders will be called in approximately three weeks.

May I say that I am very pleased to see the hon. member here. When I was in his fair city some three or four weeks ago, I was not able to see him. I understand that conditions then were not as good. I welcome him back, however, and I am pleased to see him in good health.

Inquiries of the Ministry

SHIPPING

ST. LAWRENCE RIVER—SUGGESTED CLOSING BECAUSE OF U.S. UNION ACTION

On the orders of the day:

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I should like to direct a question to the Minister of Labour. Could he tell the house whether he is thinking of forbidding the use of the St. Lawrence seaway to ships coming from the United States should some people in the United States keep on using dilatory measures to prevent the setting up of the trusteeship over Canadian shipping unions?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): I find the question too vague to allow of a precise answer.

FINANCE

MEASURES TO DEAL WITH BALANCE OF PAYMENTS PROBLEM

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Since the minister stated recently that Canada did not intend to reduce the deficit in her balance of payments to the prejudice of the United States, can he tell the house what actual solution he intends to put forward and what he means exactly by multilateral but not bilateral measures.

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): I made no such statement in those terms, without going into in much more detail; and I do not think I could answer the substantive part of the question on the orders of the day.

DIFFICULTY OF COLLECTING PROPOSED TRANSACTION TAX

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I wish to direct a question to the Minister of Finance and ask whether during his recent discussions with officials of the United States treasury department they revealed to him a plan of administration to cover the proposed 15 per cent transaction tax. If so, did this plan of administration overcome some of the difficulties which he ran into when he proposed a similar tax?

[Mr. Teillet.]

Hon. Walter L. Gordon (Minister of Finance): I think there are difficulties in the collection of all taxes, not only in this country but in some others as well.

[*Later:*]

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to ask a supplementary question. Since the collection of all taxes involves many problems is the Minister of Finance considering the withdrawal of them all, as he has done for the 30 per cent tax?

[*Text*]

TAXABILITY OF $500 GRANT FOR WINTER HOUSE CONSTRUCTION

On the orders of the day:

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, I should like to reply to the question asked yesterday by the hon. member for Ontario respecting the $500 bonus to be paid to the first purchaser of a new house constructed mainly during the winter period.

A person who purchases the house as a personal residence for himself will receive the $500 payment without income tax consequences.

Where the first purchaser rents out the whole or a part of the house or otherwise uses it for revenue purposes, the payment of $500 which he is to receive from the government will reduce the capital cost of the house which is the basis for the capital cost allowance which he may claim for income tax purposes.

Where the first purchaser of the house is subject to tax as a trader in real estate, he will have to take the payment of $500 into his calculation of the profit or loss of the business.

REQUEST FOR INCREASE IN PRICE OF GOLD

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to direct a question to the Minister of Mines and Technical Surveys, but as he is not here, I am going to put it to the Prime Minister.

Since the government has declared our region a depressed area, does it intend to consider increasing the price of gold, in order to help our region and those which are in a similar situation to recover? In my opinion, such a step would be quite important.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is a question which concerns not only one region but economic policy generally, and it will be dealt with in the normal way.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Could he tell the house if it is true, according to rumours which are circulating, that the Minister of Justice will soon be appointed president of the Canadian National Railways?

[*Text*]

NORTHERN AFFAIRS

ALASKA HIGHWAY—INQUIRY AS TO PAVING

On the orders of the day:

Mr. Erik Nielsen (Yukon): I wish to address a question to the Minister of National Defence arising out of my question yesterday concerning the Alaska highway paving conference. The minister said that as far as he knew the resolution concerning it had not yet been placed on the agenda.

Can the minister inform the house what he means by "the agenda", and whether there is an implication in the answer that this matter will be placed on whatever agenda there is.

Hon. Paul Hellyer (Minister of National Defence): There was no such implication, Mr. Speaker.

Mr. Nielsen: Can the hon. gentleman inform the house what he meant by "agenda" in his reply?

Mr. Hellyer: I was referring, I think, in the previous sentence to government policy, and the agenda to which I was referring was the agenda of the cabinet which would consider policy matters.

CANADIAN NATIONAL RAILWAYS

SAINT JOHN, N.B.—PROPOSED SALE OF GRAIN ELEVATOR

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Has the Minister of Transport any information on the grain elevator at Saint John which was to be sold by the government?

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker. I am glad to be able to tell the hon. member that there is no such intention in mind. The grain elevator about which he is asking will not be sold.

TRANS-CANADA AIR LINES

WINNIPEG—TRANSFER OF OVERHAUL AND MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question either to the Prime Minister or to the Minister of Transport? Is the government in a position today to make its promised statement on the retention of the T.C.A. maintenance and overhaul base at Winnipeg? If not, will a statement be made this week?

Hon. G. J. McIlraith (Minister of Transport): I am not in a position to make such a statement today but I expect to be able to make it this week, either tomorrow or Friday.

TRADE

REPORTED INCREASE IN IMPORT QUOTAS FOR U.S. TURKEYS

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce? Could he explain to us the reason why he has raised the quota of turkeys imported from the United States when statistics show that the Canadian production is adequate at present to meet the demand?

[*Text*]

HARBOURS

COAL HARBOUR, B.C.—LEASES OF WATER LOTS

On the orders of the day:

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, yesterday the hon. member for Vancouver-Kingsway directed a question to me concerning certain leases of water lots in the Coal Harbour area of Vancouver. On reading his question this morning I noticed that it referred only to Coal Harbour Investments Limited and consequently I am able to give him the information without the necessity of putting the question on the order paper.

While negotiations have taken place between the national harbours board and Coal Harbour Investments Limited in respect of a possible lease of certain water lots on Coal Harbour in Vancouver, no final commitment has been made by the federal government through the national harbours board. Any such commitment can only be made following approval of any lease or leases by the governor general in council.

HEALTH AND WELFARE

FAMILY ALLOWANCES—REQUEST FOR INCREASED PAYMENTS

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. In

view of the fact that it is proven that purchasing power is not sufficient in Canada and that the cost of living is going up steadily, could the minister tell us when the government intends to raise family allowances to remedy the situation?

[*Text*]

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, any such announcement would be a matter of government policy and therefore would be made at such time as the government had determined the policy.

ADMINISTRATION OF JUSTICE

QUEBEC—IS F.L.Q. A SUBVERSIVE ORGANIZATION?

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Justice a question arising out of the answer to my starred question 1,064 relating to the F.L.Q. and the R.C.M.P. I should like to ask the minister whether the Department of Justice defines the F.L.Q. as an organization subversive to the interests of the country. If so, could he give us any report on what our national security forces are doing in winkling out this organization?

Hon. Lionel Chevrier (Minister of Justice): With all due respect, it seems to me that this is the kind of question that should be placed on the order paper. In addition, in view of the answers I gave to related questions in the earlier part of the session it would seem that the hon. member might find a reply there. A great deal of the information he seeks has to do with something that comes under provincial and municipal jurisdiction and I would be loath to make any statement other than in reply to a question on the order paper.

Mr. Fisher: Mr. Speaker, I raise the point that it is simply a question of whether this is a subversive organization. I do not think the minister can explain to me how he can expect a provincial jurisdiction to look after a subversive matter relating to the nation as a whole.

Mr. Chevrier: This is clearly not an urgent question. My hon. friend can put it on the order paper and I will see that he gets an answer.

Mr. Fisher: One more bomb and it may be.

CANADIAN BROADCASTING CORPORATION

QUEBEC CITY—REQUEST FOR FRENCH TELEVISION STATION

On the orders of the day:

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, I should like to direct a question to the Secretary of State. Could the minister inform the house of the progress made to date in the negotiations for the establishment of a French C.B.C. television station in Quebec city?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I regret that I did not catch the question at all. I apologize to the hon. gentleman. I am afraid I was not paying attention.

[*Translation*]

Mr. Beaule: I will repeat the question. Could the minister inform the house of the progress made to date in the negotiations for the establishment of a French C.B.C. television station in Quebec city?

[*Text*]

Mr. Pickersgill: I think that is the kind of question which would be much better put on the order paper.

HOUSE OF COMMONS

REQUEST FOR IMPROVED QUARTERS FOR INTERPRETERS

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to put a question to the Secretary of State. Would the hon. gentleman inform the house whether the government intends to improve the office of our interpreters or to move them to new quarters? I am speaking of room 504 which is too hot in summer, very cold in winter and much too small. I feel that this office is unsuitable for them, in view of the services they render to parliament.

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I am sure Your Honour will take note of that question. It is well known that accommodation in this building is still pretty difficult.

WORLD FAIR

STATEMENT RESPECTING SALARY OF COMMISSIONER

On the orders of the day:

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I should like to answer a question asked yesterday by the hon. member for St. Mary (Mr. Valade).

Mr. Dupuy is still with the Department of External Affairs and upon his return from various courtesy calls which he is now making in Europe, his salary will be determined.

OLD AGE SECURITY

PROVISION FOR INCREASE IN AMOUNT OF PAYMENT

The house resumed, from Tuesday, October 1, consideration in committee of the following resolution—Miss LaMarsh—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure to amend the Old Age Security Act to increase the pension under the said act from $65 a month to $75 a month, effective October 1, 1963, and to increase the rate of old age security tax from the present rate of 3 per cent with a maximum of $90 to a rate of 4 per cent with a maximum of $120 on the taxable income of individuals, applicable to the 1964 and subsequent taxation years.

Mr. Pickersgill: Last evening when the committee adjourned I sought to put on the record one paragraph from a publication called, "Policies of the Liberal Party, General Election, 1963." Perhaps I could just read it. The heading is "Establish a new national minimum of $75 a month pension," and it is as follows:

To help people already retired, who have not had the chance to contribute under the new Liberal plan, a minimum supplementary pension of $10 a month will be paid from the start, out of the pension fund established by contributions. This will raise the total old age pension to $75 for a single or widowed person, $140 for a married couple.

Now, when the government considered this matter after the election we came to the conclusion that it was not practical to limit it to $140 for a married couple and that all persons should be treated alike, whether or not they were married, and it should be uniformly set at $75. Up until late August or the beginning of September it was hoped that the government, as was evidenced in the house, could carry out the plan in all other essentials as outlined in this literature. When it became apparent, as it did early in September in the light of developments in two of the provinces, that in order to work out arrangements that would be fair to the public in those provinces and elsewhere in Canada it would take a longer time than had originally been expected, it was then decided to go ahead with the measure that is now being recommended to the house.

The only other point on which I wish to say a single word is this: It was said by several hon. members on the other side, and quite correctly, that the government said this would not be done out of taxes but out of contributions. This is quite correct, as is shown by the passage that I read. Now, sir, when that was put in the literature I think all of us understood quite clearly what that meant. It was not going to be paid out of general revenues, and indeed in one of the other publications we said quite specifically it would not be added to the budgetary deficit. Therefore, when it was decided to separate these two measures, it was felt whatever funds would be required to defray this extra $10 should be raised separately and distinctly and be paid into the existing old age security fund. This is what is proposed in this measure. While it is true that, in one sense, that is a tax, it does not go into the consolidated fund but into a separate and distinct fund which can be used only for old age security. It really does, I think, perhaps not fulfil the letter but it does fulfil the spirit of this phrase that the $10 a month will be paid from the start out of the pension fund. It is true it is out of the existing pension fund and not out of the new one. It certainly does not conform with the letter of this paragraph, and I do not think any of us pretend it does.

We have sought to deal with the matter responsibly. While raising the pension, we have sought at the same time to make provision for the raising of the necessary funds to pay this pension so it will not add to the general budgetary deficit of the country.

Mr. Grafftey: May I ask the hon. member a question?

Mr. Pickersgill: Yes.

Mr. Grafftey: Can the hon. member inform the house whether or not the government was aware of Mr. Lesage's intention when the hon. lady introduced the contributory plan before the recess? Was she informed of Mr. Lesage's intention to go ahead with a provincial plan when she introduced her plan to the house before the recess?

Mr. Pickersgill: Quite frankly, I am bound to confess I am not in the position, without reference to the documents, to answer that.

Mr. Hales: The minister is in the house.

Mr. Pickersgill: The minister is in the house, and I am sure the minister is well able to speak for herself and will probably answer when I have finished these few remarks. I do not believe I should attempt to answer for the minister. I can say this, that at the time the speech from the throne was presented in the other place there was no knowledge on the part of the government of the plan that Mr. Lesage subsequently announced.

The sole point I am seeking to make is that we admit right off that, because of circumstances, we were not able to carry out the plan we originally brought before this house within the time in which we expected to do it. Because of certain expectations, which I think in a good many cases were justified, we came to the conclusion we should deal

with the matter in the best, practical way—that is what most members of the government—

Mr. Pugh: A high tax government.

Mr. Pickersgill: I think that is what most of the people in the country would like us to do. I do not believe the members of the public are interested in the threshing of old political straw. I hope we can now get on and adopt this resolution.

Mr. Horner (Acadia): Let us adopt it, then; sit down.

Mr. Pickersgill: I wonder if I could be heard? Since there has been general concurrence on this question, perhaps we could get on and adopt the resolution with which all of us seem to be in substantial agreement.

Mr. Starr: I should like to ask the Minister of National Health and Welfare a question. It is based on a fact of which I am aware, namely that a 1 per cent tax will raise some $150 million annually.

Now, if that is so is it not then logical to assume that the difference between $116 million and $150 million would pay for the six month's retroactivity we have asked for in order to have this dated back to April 8? Why raise this money to that excess when you are not going to use it for the purpose of increasing the old age pensions? Why not use the difference in that amount to make the pension increase retroactive to April 8, in the same way as we members of the house voted an increase in our own salaries retroactive to April 8?

Miss LaMarsh: Mr. Chairman, my colleague the parliamentary secretary to the Minister of Finance would ordinarily answer such a question, but since it has been asked of me I would refer my hon. friend to *Hansard* of yesterday's date and the day before, in which it was indicated that the amount to be raised in a full year is $100 million per 1 percentage point of personal income tax, and not $150 million; that it is some $13 million which will be raised in the last three months of this fiscal year when it is proposed to be instituted; and that $116 million will be required in a full year for the old age pension increase.

Mr. Grafftey: Would the hon. lady be kind enough to answer the question I put to the Secretary of State as to whether or not, when she introduced her universal contributory pension plan, she was aware of Mr. Lesage's intention to proceed with a provincial plan in the province of Quebec?

Miss LaMarsh: I think my hon. friend is under some misapprehension. It was the unanimous action of the Quebec legislature in August of this year, while this house was not in session and as a matter of fact when I was out of the country studying pension matters in other countries, which resulted in adopting a resolution calling for a comprehensive and compulsory provincial program. This was the triggering factor in the decision to proceed with the separation of the $10 increase from the Canada pension plan.

Mr. Grafftey: Was the hon. lady not aware at the time she introduced her plan on July 18 that Mr. Lesage intended to go ahead with a provincial plan in Quebec?

Miss LaMarsh: Well, Mr. Chairman, I have used one of our two national languages in as clear and explicit a manner as I can, and I am sorry that through some personal deficiency of his my hon. friend is unable to comprehend my answer.

The Chairman: The hon. member for Humboldt-Melfort-Tisdale.

Mr. Rapp: Mr. Chairman—

[*Translation*]

Mr. Grafftey: —The question can be put to you in French. I shall ask you the question in French, if you want.

[*Text*]

The Chairman: Order. The hon. member for Humboldt-Melfort-Tisdale has the floor.

Mr. Rapp: Mr. Chairman, in speaking on this resolution to amend the Old Age Security Act, I would like to say at the outset that I am in full agreement with amending it in order to bring about an increase in the pension from $65 to $75 per month. However there are one or two things with which I do not agree, and one is that I believe the pension should be made retroactive to April 8.

The other matter, which is of much concern to me and to some old age pensioners in my area, is that while a married couple will benefit greatly from the increase, a single pensioner or a remaining spouse will find it very difficult to live on $75 per month. Actually this is not sufficient. First the cost of living has gone up, and even though single pensioners may own their own homes, their taxes have also gone up. This all creates hardship for the single pensioner.

I am prevented by the rules from presenting an amendment but I would like the minister to give some consideration to this matter. It might be possible to establish a means test so that single pensioners could get more than $75 a month. In the northern area of Saskatchewan which I represent there are many people who will not benefit greatly from this pension increase, and during my stay at

home during the recess I was approached by some of them and was asked to bring this matter to the notice of the minister.

I would like to ask the minister to give consideration to this matter before the bill is introduced, so that it may be possible to devise measures whereby the pensioners to whom I have referred will receive a benefit equal to that received by married couples.

Mr. Nesbitt: I have just a brief word to say to the minister concerning something about which perhaps she may not be aware. It has been brought to the attention of myself and a number of other members that there are certain companies in Canada who have former employees on pension, but the pension arrangements are such that if an increase is given in the old age pension these few companies—and I take it that fortunately there are very few—have the unpleasant habit of reducing the pensions they pay to their former employees by the amount of old age pension increase.

I realize the difficulty which the minister would have in doing anything about such a situation, but I hope she would discuss it with the Minister of Finance and the Minister of National Revenue. Sometimes there are indirect ways, if not direct ways, of stopping this kind of unpleasant occurrence.

I have a number of letters on my desk dealing with this matter, but I will not take the time to read them. I know other members have received similar letters, and perhaps the minister has also. I hope some consideration could be given to attempting to stop these companies from doing this.

Miss LaMarsh: The matter to which my hon. friend refers was recently brought to my attention by the hon. member for Kootenay East who headed a delegation to me regarding one such company pension program. It will be appreciated that each individual program differs and the legal position depends on the phraseology of each particular program. In this particular instance it appeared that the amount of the pension would be reduced by any contribution which the company might have to make directly or indirectly through taxation; but I would call my hon. friend's attention to the way in which the money for this increase is being raised, that is by way of personal taxation. In my own opinion, although I do not intend to give the house a legal opinion, that company would be unjustified in making a reduction in payment to their pensioners on such a basis.

However, all such contracts may not have the same phraseology, and it may be appreciated that there is no way in which the federal government can interfere in private matters. Certainly such action is frowned upon, and in passing legislation such as this it is the intention of the government, and indeed of the whole house, to pass the benefit on to the old age pensioners, and not in effect to reduce the obligation of a company to pay pensions to those already on pension.

Mr. Herridge: I am very pleased to hear the minister's comments with respect to this proposal, which has been made by a certain company in the constituencies of Kootenay East and Kootenay West, the Consolidated Mining and Smelting Company. I am sure she has been well informed of the situation which has arisen there and which has caused serious concern to the pensioners, employees, unions representing them, and many other people in the district who have been rather appalled at the suggestion on the part of the Consolidated Mining and Smelting Company that, as a result of a certain bylaw in their pension fund, they have the legal right to deduct this $10 if there is an increase in old age security pensions. Therefore I think the minister raised a very good point—it is one that I intended to raise—on the basis of their not being taxed for this increase. In this case, whether we agree with it or not, the proposal in the resolution is a personal income tax increase, and I know the minister has received representations from the representatives of the employees concerned.

I must say I was very pleased to hear her sympathetic approach to the situation. No doubt there is sometimes an advantage in having a lady minister. You can arouse a lady minister's humanitarian instincts when sometimes this cannot be done with the Secretary of State and some others I know. I am sure this statement on the part of the minister will be welcomed by the employees concerned and I trust the government will use its good influences to make certain there is no effect to the proposal of the company as forwarded to the pensioners a short time ago. The company must see that it is most unfair and has not the support of this government or the members of this house.

Mr. Chairman, I rose just briefly to say how pleased I am that there is this increase of $10 a month. It should be more. It is very necessary. But even the $10 will be very welcome to the thousands of pensioners in this country who have been looking forward to it for some months.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, I had no intention of taking part in this debate, but since we are on the third day of the debate and I realized that many members still want to express their views, I figured I should do the same myself.

I see that a matter we all agree on takes several hours of discussion to be adopted even at the resolution stage. I am very sorry about that.

I would particularly like to raise the following points. I would like to talk about the history of the proposal. When the Minister of National Health and Welfare submitted her resolution last spring, it seemed to be linked with the pension plan. At that time, the opposition exerted pressures to have the $10 separated from the pension scheme. During the summer, events forced the government to modify its view and I wish to thank the administration for making the $10 old age pension increase a plan separate from the pension plan. Otherwise, the government would have linked two things entirely different in nature.

Mr. Chairman, yesterday we saw the official opposition ask that the $10 increase be paid retroactive to April 8. I am wondering about their sincerity. Why not make it retroactive to June 22 of last year, when the official opposition was in office, a time when it could have offered that $10 increase to old age pensioners. The government of that time could have relied on our support and would have also been able to rely on the support of the then official opposition. I feel that this $10 increase would have been welcome at the time and we would not have to try and make it retroactive today.

Therefore, I believe that yesterday the gentlemen in opposition did not prove their earnestness in any way.

If we admit that the $10 increase is justified, we must make sure that it is adopted as soon as possible in order that our old people may receive an extra $10 at the end of this month with their regular cheque.

If we admit that the increase is necessary, I feel we should not continue to play politics as was done during the past three days at the expense of the elderly people of this country, who are waiting for us to deal fairly with them.

Mr. Chairman, this increase in the old age pension will be financed through a 1 per cent increase of the workers' income tax. According to the philosophy that we advocate in Social Credit, obviously that old age pension increase would not have been accompanied by an increase of the personal income tax. Where are we going with a system where everything boils down to a tax increase?

The minister said that she had to look for the $118 or $120 million she needs in the taxpayers' pockets. However, I notice that in her general pension scheme, there is a key phrase which, in my opinion, is the substance of the whole program, and that is where she says that the amounts of money which shall be given back to the Canadian citizen upon their retirement, will include the contributions of all the people, less administration costs which have been estimated at about $12 million per year. In short, a dollar will be taken from us and we will get it back years later, less the value of those $12 million in the total amount.

Mr. Chairman, we must ask ourselves what efficiency there is in this procedure. I regret that, in the twentieth century, it is still impossible to finance social security measures in our country without taxing the income of the workers who are growing fewer and fewer. That will inevitably put a heavier burden on each worker.

I am of the opinion that all those increases will discourage the workers from showing initiative and that the government will have to study, as soon as possible, ways of financing the country's administration other than by taxation.

Mr. Chairman, in the private sector there is a growing tendency to prepare budgets according to revenue, that is to say, an estimate of revenue is made and expenditures are reduced so that they may be covered by revenue.

On the other hand, at all levels of government, the opposite is true today, that is to say, governments make an estimate of their expenditures and then look for sources of revenue. Departments prepare estimates of expenditures, sometimes more or less justified, and which do not give the results reasonably expected. And the ministers then ask the house to finance the cost through tax increases.

Mr. Chairman, I feel that this procedure should no longer be followed and that means should be found to finance increased social security benefits without resorting to personal taxation, affecting workers especially.

As a matter of fact, I wonder who the government will tax in the year two thousand, when it is expected that workers will no longer be employed as such, will no longer be paid by industry, or will be replaced by electronic brains? Will taxes be levied on electronic brains then? This is what we should ask ourselves.

Mr. Chairman, I am of the opinion that the resolution should be passed immediately so that the bill may be considered and passed for the benefit of all those who will get the increase at the end of the month.

[*Text*]

Mr. Thomas: Mr. Chairman, I have one question. We know that the old age security program is very closely related in the minds of the people to our over-all welfare program. I would like to ask the minister

whether the government has in mind extending this $10 per month increase to those entitled to old age assistance, blind persons and disabled persons. To do otherwise at this time would, I think, create a great deal of confusion in the minds of our elder citizens, and I think this question should be cleared up. I would like to ask the minister what the government intends to do about the extension of this $10 increase to the shared programs of the provinces.

Miss LaMarsh: Mr. Chairman, we consulted the provinces with respect to our intentions in this regard at the conference held earlier in the month, and my hon. friend can rest assured that when the consultations are completed an announcement in this regard will be made. I personally share my hon. friend's view with respect to the shared-cost programs. However, it should be borne in mind that two of the programs are shared fifty-fifty by the province and the federal government, and one is shared 75 per cent by the federal government, and 25 per cent by the provincial and that increases which are enacted by the federal government without consultation with the provinces may, particularly in a smaller province, impose a rather heavy financial burden which has not been budgeted for. It is for this reason that the government is consulting with all ten provinces before making any announcement.

Mr. Churchill: Mr. Chairman, just before passing this resolution, which could have been passed last night had it not been for the intervention of the Secretary of State—we were ready to go ahead with it and we could have been on second reading of the bill today; it is unfortunate that delay should have occurred —may I rise for a minute or two to make a remark concerning the statement made today by the Secretary of State. I hope it will not pass unnoticed that he has now publicly admitted that which we all knew, that the election literature of the Liberal party this year was inaccurate and deliberately calculated to mislead the public. He has now made this statement in the house, and I hope it will serve as a lesson to his party in the future not to put before the people facts which cannot be verified, and mislead them by inaccuracies such as were displayed in their literature. The fact that he has now admitted this is surely an indication of a change of heart on the part of the Liberal party. But I hope this has not gone unnoticed. Yesterday when we drew attention, through the hon. member for Bow River, to inaccurate statements in Liberal party election literature, it was denied by the minister of national health and objected to by the Secretary of State, and we produced proof that these inaccuracies occurred in their literature.

Mr. Cameron (Nanaimo-Cowichan-The Islands): Mr. Chairman, I had not intended to intervene in this debate on the resolution but I feel impelled to do so on account of the statements which have recently been made and the spectacle we had last night. This resolution and the bill it precedes is a matter of great importance to hundreds of thousands of old age pensioners—heart-rending importance. It is also a matter of great economic importance to the whole community. One would have thought it would be possible to discuss the merits of this bill, the material and substantive content of it. But what did we have? We had a debate, if one can dignify the performance yesterday by that word, which resolved itself merely into name calling, into attempting to prove that this cabinet minister said this and that private member said that, and finally degenerated into a most vulgar shouting contest in this house, a display which brought no credit on parliamentary institutions and must have created an extremely bad impression in the galleries of this chamber.

I would suggest, Mr. Chairman, that those who have been using this bill as a political football should realize that the old age pensioners of this country are not interested in whether or not this party or that party misled them. They are interested in some relief from the straitened circumstances of their lives. It was perhaps too much to be hoped that hon. members, having raised themselves to the economic level of $18,000 a year in a society that measures all virtue in dollars, would have improved their intellectual contributions in this chamber. After all, intellectual contributions are dependant upon intellectual capacities. But surely it was not too much to hope that having accepted, shall we say with graciousness and a certain alacrity, this generous treatment on the part of the people of Canada, some hon. members might at least have taken some lessons in elementary civilized behaviour. A fool is always difficult to endure. A well-mannered fool is less unendurable than a lout. I would suggest, Mr. Chairman, that members of this house should bear in mind that the public are watching them, watching them with a very much more critical eye than they did before the recent increase in the indemnities of the members of parliament. I hope that we are not again going to be treated to the disgraceful exhibition to which we were treated yesterday.

Resolution reported and concurred in.

Old Age Security

Miss LaMarsh thereupon moved for leave to introduce Bill No. C-98, to amend the Old Age Security Act.

Motion agreed to and bill read the first time.

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

Mr. Pickersgill: Mr. Speaker, I do not know whether it would be the disposition of the house to start second reading now. That would require unanimous consent. I am entirely in the hands of the house in the matter. If we do not do that we would proceed with the resolution for the remaining 20 minutes concerning vocational training. As I said, I am entirely in the hands of the house.

Mr. Douglas: Is the bill printed and are copies available?

Mr. Pickersgill: I am informed by the Chair that there are 20 copies here and others coming up.

Mr. Churchill: Mr. Speaker, I appreciate the request but with only 20 minutes available and the bill not yet distributed throughout the house we might very well defer this to another occasion. I do not see any prolonged debate now that we have passed the resolution stage; but why cannot we do this in the ordinary manner?

Mr. Pickersgill: I am perfectly agreeable. Then I think we should say the next sitting of the house, and we can go ahead with the vocational training resolution for the remaining time today.

Mr. Knowles: Before that is done may I ask whether, despite the announcement made about future business, the bill could be proceeded with tomorrow? We seem to be assured that it will not take very long. Cannot we do that, rather than leaving it over to next week?

Mr. Pickersgill: I thought I would defer any announcement of the business until six o'clock, but if hon. members would permit me perhaps it is convenient to announce it now when more members are here. The government, as I indicated earlier, intends first of all tomorrow to ask for interim supply, and like all governments we hope that that will not take long. Then we will go on immediately after that with the old age security bill as soon as interim supply is dealt with.

Mr. Churchill: You should reverse the order.

Mr. Douglas: Mr. Chairman, I would hardly think that interim supply would go so quickly tomorrow that we would deal with it in that time. This seems to me an excellent opportunity to deal with the bill now. It is very small bill. There is hardly anything in it that can be discussed which has not already been discussed on the resolution. It might be that the private members would be willing to forego some of their time, in which case it would give us another hour, or an hour and twenty minutes on this bill. If we leave this bill until after interim supply has been considered it would mean we would not reach it until Friday, or possibly, Monday.

[Mr. Cameron (Nanaimo-Cowichan-The Islands).]

Mr. Churchill: Why not put the bill on tomorrow as the first item, and interim supply as the second? No matter what we do today or tomorrow, or the next day, and should the house be in agreement, the cheques would not be issued tomorrow or the next day; the amount would be added to the next monthly allotment, so no old age pensioner would be deprived in any way. All I am suggesting is that we conduct the business of this house in accordance with the normal procedure, and the normal procedure will not delay the passage of this measure, except for the next 20 minutes. That is all.

Mr. Pickersgill: So that there may be no misunderstanding, I wish to make it clear that the government has no option but to go ahead with interim supply as the first item of business tomorrow. Otherwise, there would be other cheques which would not go out in time. We are asking Their Honours in another place to be available on Friday to deal with interim supply. I am told by the treasury that on account of the Thanksgiving holiday and other considerations we are under a certain pressure. I had originally hoped we would not be obliged to ask for interim supply until Friday but I have been advised we would be taking unnecessary parliamentary risks if we waited until then and I think it would not be responsible to do that. I still hope that since the estimates of all the departments except two have still to be considered hon. members will find it possible to deal with interim supply quickly and that we can then get on to this bill in the normal course of business, as the hon. member for Winnipeg South Centre (Mr. Churchill) has suggested. Perhaps, meanwhile, the vocational training item could be called.

Mr. Monteith: So that there may be no misunderstanding about the inclusion of an increase in the October cheques, may I say that the bill providing for an increase in old age security in 1962 received its second reading on February 6 and third reading on February 7; the February cheques included the increase. The date today is October 2 and there is ample time to assure that these people receive their money.

Mr. Speaker: When shall this bill be read the second time? Next sitting of this house.

TECHNICAL AND VOCATIONAL TRAINING ASSISTANCE ACT

AMENDMENTS RESPECTING PAYMENTS TO PROVINCES, ETC.

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

That it is expedient, as a means towards the further development of manpower in Canada and towards increasing employment opportunities for Canadians, to introduce a measure to amend the Technical and Vocational Training Assistance Act:

(a) to provide that in respect of the costs incurred by a province as training allowances for unemployed persons, the contributions payable by Canada to the province be increased from 75 per cent to such percentage, not exceeding 90 per cent, as may be specified in the agreement made under the act between the Minister of Labour and the province;

(b) to provide in respect of the costs incurred by the province for such part of the program for training employed persons in industry as may be specified in the agreement, the contributions payable by Canada to the province be increased from 50 to 75 per cent thereof;

(c) to extend, until such date as may be specified in the agreement made under the act between the Minister of Labour and the province, the period during which the contributions payable by Canada to the province will be 75 per cent in respect of costs incurred by the province for capital expenditures on training facilities; and

(d) to increase the number of members of the technical vocational training advisory council from twenty three to twenty eight and to provide an honorarium for the chairman thereof.

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

Mr. Pickersgill: I should just like to say to the committee that the absence of the Minister of Labour arises through no discourtesy on his part but as a result of very urgent business which, as I am sure all hon. members will understand, makes it impossible for him to be here. His parliamentary secretary will, with the leave of the committee, be acting on his behalf.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): In the limited time at my disposal I shall attempt to make a statement outlining the program to be established under this bill. Having regard to the fact that the first resolution to be considered during the private members' hour has to do, I believe, with the problem of older workers, I am wondering whether the committee would not agree to allowing me, if necessary, three or four minutes extra in which to complete this statement so that it may be complete before we continue the discussion at the next sitting of the house.

On June 10 the minister announced to the house a number of measures which set forth the government's new employment and manpower development program. This program is designed to provide a co-ordinated attack on unemployment, to stimulate manpower development and training, and to increase the employment security of the Canadian work force, particularly during the winter months.

A number of these measures are designed to improve the federal-provincial program of technical and vocational training, particularly in the strategic areas of increasing the training of the unemployed and in stimulating the training of adult and employed workers so that they can adapt to automation and other industrial changes.

Most importantly, the provision of capital facilities for the training of youth and adults under the Technical and Vocational Training Act of 1960 is far from complete in many of the provinces. It is, therefore, important to continue a high level of federal financial assistance to those provinces which still need to develop extensive training facilities.

These amendments to the Technical and Vocational Training Assistance Act are intended to stimulate greatly the training of the unemployed; to provide for the stimulation of training in industry, particularly where such training is important to the adaptation of workers to technological change; and to provide for the extension of capital facilities in the provinces where the needs are greatest.

I should like now to take up the objectives of each of these amendments in more detail so as to provide the committee with a basis for their detailed consideration.

Raising the federal share of training allowance of unemployed persons from 75 per cent to 90 per cent

The importance of training the unemployed cannot be over-estimated. Basically, a large portion of the unemployed are not suited for the expanding employment opportunities of the Canadian economy because of their relatively low levels of education and skill. Many of them will not be in a position to secure re-employment, until they are provided with new skills and their basic levels of training raised. The necessary stepping up of the rate of training for the unemployed depends on the co-operation and resources of the provinces and of municipalities across Canada. The basic role of the provinces in this program is to provide teachers and training facilities for which they are, of course, reimbursed to the extent of 75 per cent of their expenditures. The proposal that 90 per cent of cost of training allowances be assumed by the federal

government will release needed funds for the provinces to undertake their basic job of providing training programs. The minister would like to see the rate of training of the unemployed reach a level of 70,000 over the next 12 months, from the level of 38,000 which was achieved during the last fiscal year. In addition to providing additional support for training allowances, the government intends to strengthen the national employment service so as to improve selection and placement facilities for those undertaking training programs and to provide every necessary technical support to assist the provinces in improving the techniques for the training of the unemployed. In short, it is the minister's intention to do everything possible to provide effective and balanced training programs for the unemployed in line with their individual needs and those of the economy.

Raising of the federal share of training costs in industry from 50 per cent to 75 per cent

Training in industry is basic to meeting the technological and other needs of the changing industrial scene and in avoiding unemployment which results from technological displacement. Very little has been done under the auspices of the Technical and Vocational Training Assistance Act to stimulate training in industry, particularly in those areas of training which are not directly related to the short term of occupational needs of employers. Our proposals to amend the act are designed to enable industry to develop those kinds of training which are important to the long run employment security of workers, but which do not yield immediate returns to industry.

The increase to 75 per cent in the rate of the federal reimbursement to the provinces will enable them to provide increased support to the training activities of industry in three strategic areas.

First, the upgrading of the general educational level of the employed labour force through programs of basic training for skill development. This is important if workers' skills are not to become obsolete, resulting in unemployment and income loss.

Second, apprenticeship training programs, which are a basic form of training for the skilled trades, are lagging badly and this increased financing will provide much needed additional support for the development of apprenticeship programs in Canadian industry.

Third, on June 10 the minister announced the introduction of a program designed to assist industry and labour to provide for the development of manpower adjustment programs to meet the needs of changing technology in industry. An important aspect of the development of manpower adjustment programs is the provision of retraining for workers who will be permanently displaced if they are not retrained. Again, under this amendment we will reimburse the provinces for 75 per cent of industry's costs of conducting retraining programs for potentially displaced workers in the context of a manpower adjustment program.

The third objective is the extension of the 75 per cent contribution in respect of capital costs for training facilities. The Technical and Vocational Training Assistance Act provides in section 4 for a contribution by the federal government of 50 per cent of capital expenditures incurred by the provinces in training facilities until the expiry of agreements on March 31, 1967, plus an additional 25 per cent if these capital expenditures were incurred before April 1, 1963. The additional 25 per cent federal contribution in the legislation was intended to act as a special incentive to encourage the provinces to close the gap in vocational training facilities rapidly in the two years from April, 1961, to April, 1963.

This provision of the legislation resulted in an uneven response by the provinces in meeting their needs for training facilities. The plans of some of the provinces were much more advanced than others at the beginning of the period. Today the provinces stand in an unequal position with respect to the degree to which they have succeeded in meeting their needs for vocational training facilities.

The approved federal contributions to capital expenditures up to March 31, 1963, on a per capita basis in the age group 15 to 19 years, indicate that there is substantial variation among the provinces. This figure ranges from $51 per capita in Quebec to $480 in Newfoundland. For Canada as a whole the per capita average is $225.

These variations in the per capita contribution per person in the student age group represent substantial differences in the extent to which the provinces have been able to meet the needs for increased training facilities. This is not to say that the need on a per student basis is equal in each of the provinces but rather that there exists at present considerable inequality in the outstanding needs of the provinces for additional training facilities. The government is proposing, to enable these provinces which have not as yet undertaken building programs sufficient to meet their needs, that the 25 per cent additional contribution be continued on the following basis, which will be provided for in the amendment to the legislation.

The highest per capita federal contribution approved up to March 31, 1963, is $480, which sets the top standard for the federal

contribution on a 75 per cent basis. This happens to be the case for the province of Newfoundland. It is proposed that other provinces be allowed to meet this per capita standard of $480 so that the additional federal contribution of 25 per cent will be continued in each province until the per capita of federal payments in the province has reached this standard of $480, or until expiry of the present agreement on March 31, 1967, whichever is sooner. Once the $480 per capita standard has been reached in a province, they will, of course, be eligible for a continuing 50 per cent contribution to capital until the end of the agreement.

Mr. Douglas: I should like to ask the parliamentary secretary a question. The $480 is the per capita of what? Certainly it is not of the population. It is not clear. What is it?

Mr. Byrne: Students in the 15 to 19 age group.

Mr. Douglas: I see.

Mr. Byrne: This formula is designed to equalize the application of the additional 25 per cent contribution to capital up to the standard of the highest province. As a result all provinces will be enabled to meet their needs for vocational training facilities on the basis of an equitable sharing of the federal contribution to capital.

I have a table here which, of course, is not completely accurate because to a degree it is difficult to determine the number of students in the age group between 15 and 19. However, if the committee permits I should like to table this schedule which shows the amount available to each province up to 1967 based on $480 per capita of students in the 15 to 19 age group. The figures range from a high of $224 million in Quebec to $367,000 in the Yukon. I ask permission for this table to appear in *Hansard*.

The Chairman: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Amount Available To Each Province Up To 1967 Based on $480 Per Capita Of Students 15 To 19 Age Group

Newfoundland	$ 21,037,920
Prince Edward Island	4,260,000
Nova Scotia	30,834,720
New Brunswick	25,686,720
Quebec	224,364,480
Ontario	209,703,840
Manitoba	33,987,840
Saskatchewan	34,974,720
Alberta	47,521,920
British Columbia	54,073,440
Northwest Territories	815,520
Yukon	367,200
	$687,628,320

Mr. Byrne: As of March 31 of this year 138,000 additional student places have been provided under the capital provisions of the act. If all provinces were to take maximum advantage of the additional 25 per cent contribution, on the basis of the formula that has been outlined above there would be at least a doubling of the enrolment capacity of our vocational and technical training system.

The fourth objective is an increase in the number of members of the technical and vocational training advisory council. It is proposed to amend the legislation to provide for an increase in the number of members of the technical and vocational training advisory council from 23 to 28. The council has done an effective job in advising on the technical and vocational training programs in Canada and in assisting in co-ordinating the activities of the federal government and the provinces. It has become evident, however, that representation from labour and employer organizations and from other national groups, interested in technical and vocational training, requires strengthening in the light of the greatly expanding training programs, particularly with respect to the training of adult employed and unemployed workers. It is also proposed that the chairman of the council, who is making a significant contribution, be provided with an honorarium for his services.

The Chairman: So that the house may proceed to the consideration of private members' business, pursuant to section 3 of standing order 15, it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Progress reported.

[*Translation*]

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

[*Text*]

LABOUR CONDITIONS

ENCOURAGEMENT OF EMPLOYMENT OF OLDER PERSONS

Mr. W. B. Nesbitt (Oxford) moved:

That, in the opinion of this house, the government should take into consideration the establish-

ment of appropriate measures to encourage the employment of persons over the age of 40 in business and industry.

He said: I believe, Mr. Speaker, that perhaps one of the greatest problems faced by most members of this house, and one of the most difficult problems, is requests for aid from constituents who are over the age of 40 and who find difficulty in obtaining employment. This problem, of course, has existed for a good many years. I believe it has been aggravated and accelerated very greatly since the conclusion of world war II. There are several reasons for this. The first is the increased rate of automation in industry, where hand labour is more and more becoming less and less important. Many persons who are in their forties or fifties, and who have learned to do one thing during their lives, find they have been displaced. They feel they are unable to learn a new trade at this age. They feel at a loss, and do not know what to do.

Another reason that this matter is becoming more aggravated since world war II is the terms of some pension schemes that we find in industry. This has particular reference, of course, to the cost of these schemes. The third reason is the extension of the human life span in the last 25 years or so. Formerly people used to live perhaps only to 55, 60 or 65. The life span has been greatly extended, of course, and this should affect our thinking about retirement age. Certainly during the depression of the thirties, it was felt these people should retire to make work available for younger people. This thinking is pretty well outdated now. People live very much longer. A great many people at the age of 65, so I am told, do not feel a bit like retiring. They are quite capable of carrying on useful work and perhaps, in some cases, better able to do their work as a result of the experience they have gained.

These are three reasons that I believe have aggravated ths problem since world war II. If I may repeat them, they are, one, automation; two, the terms of many company pension schemes; three, the extension of the human life span which has not changed the thinking of people but should have changed the thinking of people in respect of retirement age. This subject has been brought before the house by myself and other hon. members on various occasions within the last ten years. Some of these members are here today and some are no longer with us. I have dealt with this subject at great length on previous occasions, so I do not believe I should repeat what I have said in the past and so waste the time of the house. Today I wish to bring forward some new ideas and suggestions for dealing with this subject. For those who are interested, I may say that I dealt with this subject previously and my speech is recorded in volume 1 of *Hansard* for 1959, page 526. I mentioned one thing at that time to which I should like to refer now. If I may say so, Mr. Speaker, I think I put the matter rather succinctly at the time and as it is rather important background material, I shall, therefore, take the liberty of quoting myself for a minute or two.

The fact that the Canadian population is growing older, coupled with trends which result in the reduction or withdrawal from employment of important proportions of our older workers, constitutes a very grave national problem that requires the closest scrutiny, not only from all levels of government but from labour, industry and private individuals as well.

If I may elaborate on that briefly, Mr. Speaker, I would say this is not the prime responsibility of the federal government by any means. It is the responsibility of provincial governments, labour groups, employer groups, and indeed the public at large.

It is very interesting to note that in 1881 the number of Canadians over 40 comprised about 20 per cent of the population. By 1951 they had increased to about 33 per cent. When we consider this trend in relation to the fact that one of the chief difficulties facing the national employment service in matching unplaced applicants with unfilled jobs is the tendency on the part of employers to reject applicants over 40 years of age, one major aspect of this increasingly grave problem is illustrated.

Again, if I may refer briefly to the population figures in 1881, we see that there were 15 adults under 65 years of age to every 1 over 65, whereas today there are only 7 adults under 65 to every 1 over 65. By 1970 it is estimated the proportion will be over 5 to 1. When we consider the effect of the trend toward more pension plans with the compulsory retirement age now normally set at 65, another major aspect of this problem is seen. We are confronted with the problem of whether or not it is economically possible to maintain a high standard of living here in Canada in the face of trends which show an increasing number of older people retired or withdrawn from the productive section of our economy. At the same time the effect of this trend is to reduce their ability to consume goods, and to place the burden of production and taxation upon a decreasing percentage of the population. This trend is not likely to change. I am not including in these remarks those older workers who through ill health or personal desire wish to withdraw from the labour force. I am dealing solely with those older workers who wish to work and who either cannot obtain employment or are forced to retire.

Apart from the economic factors involved in this matter, severe social problems are also created. When older persons cannot obtain employment or are forced to retire, many feel that society has no further use for them and they become depressed and dejected. Older persons in this group who have not developed hobbies and other interests during their lives are often left completely alone; their families grow up and their friends either move away or pass away. If such people could work their time would be occupied and they would feel they were doing something useful. Without the work which they desire, there is often very little left but the feeling that they are a burden on society.

There are reasons given for the present resistance by business to hiring older workers, and I would like to refer the house to two surveys made in this regard. One report has been prepared by the information branch of our Department of Labour. This was in 1952, and while there have been some additions to it since then, it is a very complete work and I would commend it to the attention of hon. members.

Another report on this matter was prepared by the Ontario department of public welfare, and it refers to a survey made in the United States, known as the Seven Cities Survey. It was made in seven major industrial cities contiguous to the Canadian border where conditions are very similar to those in Canada.

Both reports set out a number of reasons for this resistance by business to hiring older workers. In my previous remarks I have referred to these reasons at some length. I do not intend to repeat them here, except very briefly to enumerate a few of them.

One of the reasons given by business is that it cannot maintain normal production standards with older workers. In one survey 22.4 per cent of the businesses queried gave this as their reason.

Another reason was that older workers could not meet company physical requirements. Some 20 per cent of the businesses questioned gave that reason. A third reason was that older people are inflexible and set in their ways. Thirteen per cent gave that as their reason, but only 10 per cent gave pension and insurance costs as the reason for not hiring older people. The public normally believe that older workers are not hired because of pension plan costs, but apparently only 10 per cent of the businesses questioned gave that reason, and this is quite interesting.

I might say that these figures which I quote are taken from the Seven Cities Survey. A number of other reasons of less importance are also given, but I will not deal with them.

The survey made by our own Department of Labour says that employers are prejudiced against hiring older workers because these workers will not adapt to learning new techniques, second because of absenteeism through ill health, and third because older persons slow down and lessen activity.

It also says that company training programs call for the hiring of young people and for the development of their talents over the years, and that it would be unprofitable to invest in the training of older employees. It also says pension plans prevent companies from hiring workers of advanced age, and experience showed that in certain instances younger employees were preferred, such as waiters and waitresses, and sales people. Finally it adds as another reason, pension plans which compel workers to retire at an arbitrary age regardless of their fitness to carry on. These are the principal reasons given as a result of the surveys made in this country and the United States into the objection of companies to employing persons over the age of 40 years.

On careful examination it has been found that not one of these reasons is completely valid. Although many of them have varying degrees of validity others are purely fictional and have no validity at all. For instance, one of the reasons given is that older persons slow down and lessen productivity, but a very careful study which was made of this in Canada and the United States has shown no difference at all between people of 17 and 71 years in the amount of work they can do under "moderate" working conditions. "Moderate working conditions" means conditions prevailing in most modern industrial plants.

Another reason given was that people often prefer to have young people wait on them and work for them, but this is certainly not always the case. Very often when one goes into a store he might prefer to have an older person, experienced in handling a product, wait on him.

Something which has given rise to this problem, which I might mention here, is that since world war II, and particularly through the advertising business on this continent, there has been promoted the idea that all workers are young, beautiful girls and healthy, robust young men. This creates an image in the mind of employers that this is what the public expects and wants to see. In many service industries this is true, and it is most unfortunate that such an image has been created.

This brings us to the question of what has been done so far by the federal government, and over the years a great deal has been done by the government to help alleviate the problem.

First I would mention the national employment counselling service for older workers. People in the older age categories with difficulty in obtaining work can obtain advice and counsel from officials of the national employment offices. This is a very good thing and very helpful.

Second, there is the public education undertaken by the federal Department of Labour. This has been done by trying to persuade the public that it is a good thing to employ older workers, and it has done much to remove the prejudice against employing such people. The department, through its public relations and information branches, has done a good job in this respect.

Third, there are the technical and vocational training courses which were set up under the former minister of labour (Mr. Starr), by which persons out of work are provided with vocational and technical training in order to help them obtain employment.

In this regard the federal-provincial plan for building technical and training schools all across the country has been of great effect, not only in helping to educate young people coming into the labour market but in providing courses for those who are unemployed and requiring additional training.

Those are three things which have been done, and now there is the portable pension plan which has been a matter of some controversy in the house. For that reason I do not wish to deal with it at this time. Certain of the provinces also have similar plans, but undoubtedly when some plan is worked out it will also help matters very greatly in respect to the problem of older people finding employment.

The last thing I want to mention in this regard is something which the present Minister of Labour has introduced and which is also a very commendable scheme. It has not come into effect yet, but when it does on November 1 outright payments will be made to industrial plants which employ persons over the age of 45. As I understand it, during the three months from November 1 to January 31 next, companies taking on workers over age 45 will be given an outright grant of 50 per cent of the wages paid, or $75 a month, whichever happens to be the lesser. These payments will continue for 12 months. The onus will be on companies and workers to prove certain information.

First of all, a company will have to prove that it has not fired some younger person and hired an older one in order to get the subsidy. Further a person being employed has to have been unemployed for six months, must be receiving no benefits under the Unemployment Insurance Act, and must have no other pension. This is certainly a step in the right direction and the minister is to be commended on introducing the scheme.

Despite all these various things that have been done, and that are being done by the federal government, the problem is still very acute indeed. I think, Mr. Speaker, as I pointed out earlier in my remarks, it will probably increase rather than decrease over the next few years because of the trend toward an increased percentage of aged people in the population. Something more has to be done than has been done to date, and something more than is being done at the moment must be done to meet this problem. Certainly a great deal is being done to benefit the younger workers who are coming into the labour force, with all the new education schemes, technical training, and so on. This is very commendable because it will help solve the problem in the future, but to date very little has been spent on older workers.

Like most hon. members of this house I do not approve of subsidies in principle, but I think subsidies can perform a very useful service to meet a temporary emergency. While one might not like to describe assistance to older workers in this way, it is in fact a type of subsidy. One might as well meet these arguments head on and say that in the case of emergency—and I think this is an emergency—some form of subsidy or assistance should be given to older workers who through no fault of their own cannot get employment. I feel it is a valid criticism of the program of the present administration that temporary or seasonal measures are not a complete answer to assisting older workers. They are all very helpful as far as they go, but they are not a complete answer. We are faced with this problem 12 months a year, not three months a year. While I agree it is sometimes wise to try something for a short period of time to see how it works, nevertheless I think there should be long range planning and thinking in this regard. Those in government should be making some provision to assist older workers on a longer range basis than just the three months included in the plan of the present Minister of Labour.

I know that other hon. members will wish to make some remarks on this subject, Mr. Speaker, and I will try to conclude my remarks very briefly. There are a number of suggestions I should like to make for the consideration of the present government as additional ways of meeting this problem. The first is a more intensive advertising campaign by the Department of Labour. I know that to date there has been some public relations and information program in this regard, but it has not been nearly enough. It should be much,

much more. I would say that an advertising campaign by the Department of Labour should emphasize the—

The Acting Speaker (Mr. Batten): Order. I apologize for interrupting the hon. member for Oxford but the time allotted to him has expired.

Some hon. Members: Carry on.

The Acting Speaker (Mr. Batten): Has the hon. member for Oxford the unanimous consent of the house to continue?

Some hon. Members: Agreed.

Mr. Nesbitt: Mr. Speaker, I wish to thank hon. members of the house for their courtesy in this regard. I will try to conclude my remarks in about two minutes. First of all, as I mentioned, there should be an advertising campaign by the Department of Labour. I think this advertising campaign should emphasize the following items. First, there are the positive benefits of hiring older workers, those likely to encounter less absenteeism and who very often are more conscientious and more stable. Second, the false prejudice and myth about hiring older people should be exploded by a good, strong advertising campaign. Third, persons who are over the age of 40 at the present time should be encouraged to take training in vocational courses which are available to them. A great many older people feel they do not want to go back to school, but with a good advertising campaign I think they could be encouraged to do this.

The fourth thing which I think should be advertised in such an advertising campaign is that it should emphasize to the public that it is in the public interest to hire older workers, and I think it is a public duty to do so. As a matter of fact there could be some sort of slogan, such as, "If you are not over 40 yet, you soon will be and this might affect you too". This is just the kind of slogan that might be used to bring to mind the fact that everybody can be affected.

The second thing that I think should be done, apart from advertising, would be the giving of tax incentives to encourage companies to alter their present pension plans and retirement schemes and replace them with new ones so that compulsory retirement will not be at the age of 65. I realize this would take some working out but this is the principle I have in mind. As I say, Mr. Speaker, I do not want to take up the time of the house by going into this question in detail. I think companies could be encouraged by tax incentives to change a number of their present pension plans which force retirement at the age of 65.

Last is the question of tax credits. I dealt with this subject on the previous occasion, in January, 1959, and it is reported in *Hansard*. I will not take the time of the house to go over this matter again. I would just mention the question of tax credits or deductions from taxable income of corporations. This could be done on a 12 months basis and would encourage the retaining, rehiring and employing of (a) persons over the age of 65 and (b) a similar scheme for persons over the age of 40, not in that case for rehiring or retaining but for anyone just hiring persons over the age of 40. I know this is giving a preference to people in that age group; you are now considering older workers, but in this case, because of the present problem I think such measures would be necessary for the time being.

As I have said, Mr. Speaker, I shall conclude my remarks at this stage in order that other hon. members may have an opportunity to speak on this subject. With regard to the question of tax credits, this matter was dealt with in some detail in my previous remarks and those who are interested can refer to *Hansard* for the details.

Mr. Joseph Macaluso (Hamilton West): Mr. Speaker, I wish to commend the hon. member for Oxford (Mr. Nesbitt) for the remarks he made with regard to the problems of the older worker. I must agree with him to some extent, probably to a great extent, with regard to the suggestion that this is one of those problems which has really to be considered by all hon. members of this house as one that is not partisan and is completely devoid of politics. I think the hon. member showed this in his remarks and I commend him for it.

The continued growth and prosperity of any country depends to a large extent on whether industry makes the best use of available manpower. It is vital that an industrial nation like Canada fully utilize its human resources. One of the greatest barriers, as the hon. member for Oxford has stated, facing older people is that it is the policy of many employers to refuse to hire persons in the older age group regardless of whether or not they are capable of doing an efficient job. In some cases even men and women as young as 35 in my own riding have been rejected as being too old.

The belief held by many employers that a worker who has passed the age of 40 is no longer able to maintain production standards is a fallacy. It is an indictment, I believe, against our social system that workers in the over 40 age group should be deprived of gainful employment, regardless of ability and job qualifications, simply by reason of age. It

has been said that the twentieth century belongs to youth. Increasing mechanization and the use of high speed machinery has quickened the tempo of industrial life and given added importance to youthful qualities. In the minds of many people, including some older persons themselves, the belief has arisen that once the bloom of youth has faded, rapid mental and physical deterioration begins. One need only to look around this chamber, Mr. Speaker, to see this is not so. This belief has spread to the labour market and has created discrimination in employment against older persons. Thus we have what has been called "the problem of the older worker", the majority of this group being in the 40 and over age bracket.

Canada's population has aged during the first part of this century. This has been shown by studies. This trend is likely to continue in the years ahead. These changes have affected Canada's labour force in that more than one third of Canadian workers are 40 years of age and over, and this age group will continue to increase in number. Further, young people are entering the labour market in increasing numbers due to the high birth rate of the last 15 or 20 years.

Maintaining an age balance in a company's work force is an important part of manpower planning. Many Canadian companies have been able to reduce the effects of automation and technological changes on their employees because of an age balance in their work forces, and lay-offs have been limited because planned retirements took care of the reduction in workers.

Efficient operation can result from the blending of the strength and ability of youth and the experience and judgment of mature workers. Hiring on the basis of ability, not age, can bring about a proper balance. A worker's qualifications and personal suitability are two important and main factors upon which an assessment of ability can be made.

All workers, regardless of age, have special qualities which can be useful to employers; these attributes are found in all age groups and depend largely on the individual. Young people, Mr. Speaker, generally offer speed, physical strength, agility, ambition and vigour. Older workers generally offer mature judgment, knowledge gained by experience, stability, low turnover, less absenteeism, as mentioned by the hon. member for Oxford (Mr. Nesbitt), and lower accident rates—qualities, Mr. Speaker, which can reduce costs and are essential to the success of any enterprise.

Now, Mr. Speaker, let us look at and consider some of the common obstacles to the hiring of persons past the age of 40 years and ask ourselves if these statements are correct. First, frequency of illness increases as we grow older; therefore, there is more absenteeism among older workers than among younger workers. Second, physical deterioration is synonymous with age; therefore, older persons are accident prone. Third, age has a direct bearing on insurance rates; therefore, the cost of pension plans mounts excessively with each new participant over 40 years of age. Fourth, as people grow older their ability to learn decreases; therefore, it is harder to train older people in new industrial methods and techniques. Fifth, a person over 40 is not as productive as he was at 20. And last, the cost of pension plans increases in proportion to the number of older workers hired, and pension plans are so set up that companies cannot accept anyone past a certain age; also many companies state that they would be happy to hire older workers except that, since they cannot enter the plan or can contribute for only a few years, it would mean turning them out at 65 with either no pension or one that is inadequate. These statements, Mr. Speaker, are in effect commonly known as "the myth of the older worker".

When is a worker an "older worker"? Although there are different points of view which may provide different answers to this question the following definition has been suggested: "The worker may be regarded as an older worker when his employability begins to become more limited because of his age". From studies which have been made it would seem that about 31 per cent of the unemployed persons in Canada at any given time are over 40 years of age and many experience prolonged periods of unemployment. Conclusive evidence that we generally subscribe to this myth that older workers are second rate employees can be found in the want-ad columns of any metropolitan daily newspaper. A study shows that over 51 per cent of classified advertisements stated definite age restrictions.

Many companies, Mr. Speaker, suffer heavy costs of labour turnover in certain job areas. Much of this recurring loss can be halted by the hiring and retention of mature workers who are more inclined to stay with the job than their younger counterparts. Industrial studies have shown in a comparison of workers over 50 with those under that age that: first, in most occupations productivity often reaches a peak in the 50's; second, older workers are less frequently absent through ill-health and fewer accidents; third, that the learning processes do not appreciably decrease; and last, that there is nothing inherent in the nature of a pension plan which makes it impossible to hire an older worker.

In many companies, it is a company's employment policy, not the pension plan itself which stands in the way of hiring older workers.

Thus, Mr. Speaker, the myth of the older worker has become very important to all Canadians. At one end of the scale, age prejudice cuts off work to increasing numbers of Canadians, while at the other end, education keeps more and more young people in school for longer periods of time. In between these two, a diminishing proportion of wage earners are maintaining the balance and are paying the bills for the many. A more even distribution of costs can be achieved through the employment and retention of more older workers.

Let us consider cutting the cost of labour turnover in industry. Canadian employers can cut their costs of labour turnovers by the hiring of the older worker, for there is less turnover among older workers, once they are employed, than among younger employees. Studies show that the worker 40 years of age and over quits his job less than one half as often as a younger worker. Further, the older worker is fired from his job less often than a younger worker. If an older worker obtains a regular job, he is more likely than a younger person to stay with the firm up to the age of normal retirement; thus older workers are better employment risks than younger persons.

There are many areas, Mr. Speaker, where the older person can readily fit into industry. There are highly skilled supervisory positions in which experience is a prime requirement. Further, there are clerical positions, repetitive jobs and jobs which offer little in the way of a career for younger people, and many other casual work positions which are more suitable to the temperament and abilities of older workers.

Further, Mr. Speaker, the older worker is just as capable of learning new processes and skills as a younger person, yet industry reserves training positions almost exclusively for youth and in doing so increases labour turnover. Industry and business can ill afford to pay the price of age prejudice.

With respect to the learning process, I submit that no one age group has a monopoly in the world of learning. Scientific studies, Mr. Speaker, have shown that generally man is intellectually more able at 50 than he was at 20; and I repeat we need only look around this chamber, Mr. Speaker. Contrary to general belief, the ability to learn does not decrease with age. It is quite possible to learn new skills, even in the twilight of life. Speaking on the mental ability of elderly people, Dr. E. J. Steiglitz, U.S. medical expert on the aged, said:

> The hair may stop growing and the pate become a polished dome fringed with silver, but the mind below this shining cupola can continue to grow in understanding, wisdom and appreciation of life.

A Canadian study in the retail trade lends weight to the fact that older persons can readjust, and in the light of this evidence it is time that industry and business accept the fact that it is possible to learn at any age and that learning ability is not the exclusive property of any age group.

Contrary to popular belief, the older worker is less prone to accidents and less likely to be absent than the younger worker. The accident and absenteeism records of older workers are reasons in themselves why the older worker should be welcomed by employers. The absenteeism rates of workers show marked improvements after age 45, and at the same time, are less prone to accidents.

Any industry concerned with the reduction of direct and indirect costs of absenteeism is hardly doing itself a service when it refuses to hire older workers. Studies have shown that the people under 20 have the highest absenteeism rate and every age group above 50 workers lose fewer days on the job than in any age group below 50. I ask, why? I submit it is because of his more highly developed sense of responsibility towards his house, his family and his job. Studies of accident rates give a similar picture—the older worker is less accident prone than the younger worker. Here again is an area where industry can save money. A study by the workmen's compensation board of Ontario shows a marked drop in the number of non-disabling accidents after the age of 40 as compared with the age group 20 to 24.

All this, Mr. Speaker, shows that there is no truth in the claim that older workers are poor employment risks because of absenteeism and accident rates. Hiring on the basis of ability, forgetting about age, will give industry the chance to tap this reservoir of high quality labour with its excellent records of punctuality and steadiness.

Now let us discuss the plan from the argument that these people over 40 cannot fit into a company's pension plan. Few of the problems associated with pension plans as they affect the employment of older workers are insurmountable. I quote, Mr. Speaker, from a study of Canadian pension plans:

> The restrictive clauses incorporated in some plans would appear to stem more from employment policy than from pension policy.

The increase in cost from hiring of a limited number of older workers is likely to be insignificant in relation to a firm's total pension costs. Any extra cost is likely to be more than offset by the productivity and general stability of older workers, with their

better records in the costly matter of absenteeism, accidents and labour turnover.

Pension plans are classified into two main groups:

(a) Unit benefit plan. Under this plan the employer must contribute more for the older worker; the employee contributes a fixed percentage of his earnings, regardless of his age. The employer pays the balance of the cost of providing the worker's pension and this involves a higher payment for those in the upper wage brackets. This would apply equally to contributory plans and non-contributory plans.

(b) Money purchase plan. Under this plan both the employee and the employer contribute an agreed percentage of the employee's earnings and the cost to the employer is the same whether he hires older or younger workers.

A method used to reduce the higher cost is to make special provisions which allow the older worker to increase his percentage contribution to the unit benefit pension plan while maintaining the employer's contribution at the usual level. This could be made a condition of employment and would be a small price for the employee to pay in order to obtain steady employment. At least, he should be given the chance to make that choice.

The federal government pension study, completed in 1957, recommended the removal of age restrictions from pension plans and the removal of the waiting period before entry into a pension plan or a system whereby the employee could make retroactive payments into the pension fund to cover the waiting period.

Many companies use the fear of bad public relations arising from retiring an employee on an inadequate pension as one of their main arguments against hiring older workers. However, they seem to overlook the fact that it is probably worse public relations to become known as an employer who denies men jobs because they are over 50 and cannot join the company's pension plan.

The method which can be used to overcome this fear of bad public relations is to tell the older worker when he is hired that the few years of service he will have by the age of 65 will give him only X dollars of pension and that he must make other arrangements for retirement.

However, the most effective way of overcoming the problem related to pension plans and the employment of older workers is to develop a system of portable pensions. There is no simple solution to the pension problem as it relates to older workers; the present inflexibility of pension plans is detrimental to the effective use of our manpower resources. In this respect, the policy of the present government is in the right direction —to bring about a portable pension scheme which is, I believe, the objective of all members of this house.

Refusing people over 40 an interview or a job because of their age aggravates a social and economic problem as the hon. member for Oxford (Mr. Nesbitt) has said. Is it economically possible to have an improving standard of living if increasing numbers of older persons are rejected or forced prematurely to withdraw from the productive section of society?

Effects on the individual are felt by the whole community. The male older worker is likely to be the head of a family; his children will probably be of secondary school or college age. If he is not continuously employed, his children may have to stop their education prematurely and he and his wife and family may have to cease participation in community affairs. If he is not steadily employed during his middle years, he is more likely to become a welfare case, with a consequent drain on the public purse, by the time he is 65. The decrease of purchasing power is a factor which can add to the spreading of unemployment generally. Therefore, it is in the social and economic interest of every community, quite apart from the humanitarian aspects, to keep its mature workers as steadily employed as possible.

There is also to be considered the effect of unemployment on the individual of advancing years. With each rejection in his search for employment, his morale is lowered, he begins to think of himself as a forgotten man, unwanted by a society to which he may have devoted himself for many years. He meets rebuff after rebuff from employers and he finally believes that they must be right—that he is too old. He loses confidence in his own ability and the result is a loss of desire and initiative.

Much has been said and written about the employment problem of the older worker. There are really two distinct problems, each requiring a different kind of treatment. First, there are those men and women of advanced years who are no longer physically capable of carrying on in their customary occupations. Most of these are 60 years of age or more, but many years of productive capacity remain for them if the proper job can be found. The treatment here is the rehabilitation of the individual worker. Learning by older people need not be limited to those of professional pursuits or scholarly bent. One can learn to

do creative things of many kinds. We should combat like the plague the notion that older people are too old to learn.

In a second category are those workers who are described as "the too old at 40 group"—a group of people who at the peak of their productive capacity experience difficulty in finding employment solely because of chronological age and the policy of many employers to refuse to hire persons in these upper age groups regardless of whether or not they are capable of doing an efficient job. The treatment here lies in changing the attitude of employers and in rehabilitating the employer rather than the worker.

Chronological age is not a sound foundation upon which to build hiring policies, because it gives no indication of a person's ability, skills or knowledge. The economy of this country cannot remain healthy if human resources are not properly utilized, and this means that no one age group can be given special privileges to the detriment of another, whether it is youth or older workers.

Canadian employers would do well to examine more carefully the abilities of older workers. By maintaining arbitrary age limits and hiring, which automatically bar the older worker from an interview, employers are narrowing the chances of obtaining the right person for the job. The qualities sought in a good employee are as prevalent among the over-40 workers as they are among workers in any other age group.

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

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I thank the sponsor of the motion who enables us again today to study the problem of unemployment, especially in the case of workers over 40 years of age.

The hon. member for Oxford (Mr. Nesbitt) mentioned elderly persons. In my opinion, one cannot say that a person over 40 is old. Otherwise, considering the house, we certainly pass for old people, since members are 40 and yet, their experience enables them to make an interesting contribution.

We wish to help people 40 years of age and over to readily find a position. Now, the government has recently, through the Minister of Labour (Mr. MacEachen), submitted an interesting measure, providing as it did for a special allowance to those who hire workers who are 45 or over and who have been employed for a certain period during the winter months. This step should encourage contractors and industrialists to prefer hiring a man of 45 or more when he needs work.

Obviously, a man over 40 may be handicapped because of the fact his pension will be more expensive to his employer, but we must not attach too much importance to that fact considering the huge advantage of his experience. Last year I personally stressed that point of the experience acquired by the worker of 45 or over, because having had some experience in industry, I can re-affirm before this house without any fear of making a mistake that a worker aged 45 or more constitutes a real asset for industry because in addition to being an experienced worker he is responsible and is really devoted to the interests of the firm to which he contributes through his efforts. In my opinion that advantage alone should lead employers to think twice when selecting employees and it should prevent them from considering that a man of over 40 constitutes a liability because his pension would be more expensive, for they will derive in so doing, advantages which will more than make up for that.

Now, all those steps to give assistance to people 40 years old and over by finding jobs for them are only a temporary remedy, a poultice, because in my opinion there is only one true solution, and that is a progressive economy offering employment to all workers anxious to work. It is not by increasing such measures of assistance that we will be able to create a progressive economy.

I am pleased to call attention to the assertion by the hon. member for Hamilton West (Mr. Macaluso), who says that senior people do not work because there is less purchasing power and, as a result, more unemployment. So, he admits that a lack of purchasing power on the part of the people is a direct cause of unemployment in our country. I thank him for this assertion which confirms what we, in this corner of the house, have repeated for years.

It is useless to be oversubtle. Therefore, let us provide the purchasing power in Canada and instead of increasing Canadian production, let us increase the purchasing power for that production.

I think, Mr. Speaker, that here is the core of the problem, and that it is useless to look for a mere poultice. For a good many years we have had governments which offered a great many poultices. I think that the most efficient of those poultices in the past five years has been the winter works program. Yet, it was a mere poultice, and after applying it for five years, conditions have become quite impossible and intolerable. Consequently, Mr. Speaker, poultices are hardly a desirable thing and, to my mind, all suggested legislation, once applied, proved a mere temporary remedy. What we want in

this house are permanent formulas, enabling us to solve the unemployment problem.

I am convinced, Mr. Speaker, that the day when there will be a job for every worker in Canada the problem of the older people of 40, 45, 60, 65 and even 70, will disappear. Indeed, I remember that, during the war, that problem did not come up, because all those people, even if they had only one arm —and some of them even lacked both arms —had some job or other which helped Canadian productivity.

So, Mr. Speaker, let us give a new upsurge to our Canadian society by producing for Canadians what Canadians consume, and we shall, by such action, solve every problem now facing this country. Let us not lose any more precious time in looking elsewhere for a solution.

[*Text*]

Mr. Andrew Brewin (Greenwood): Mr. Speaker, the hour makes it imperative that I should make my remarks extremely brief. I am in the happy position of being able to congratulate all of those who have spoken before me, the hon. member for Oxford (Mr. Nesbitt) for having introduced this extremely important subject, the hon. member for Hamilton West (Mr. Macaluso) for having given us a very thoughtful contribution, and the hon. member for Lake St. John (Mr. Lessard) for having pointed out a very important matter, namely, that the problems of older workers cannot be solved in isolation from the general economic problems of the country. As he very well pointed out, until there is opportunity for employment for all employable people, the tragedy of older people who are unable to secure work at the age of 40 and beyond is one that we will see again and again.

We must recognize that, although exhortation of employers is all very well, although certain measures that have been mentioned here are all very well, the basic solution is a change in the whole economic climate, and I would go so far as to say the whole nature of our society. Until we are ready to take these problems seriously and solve them we will go on with these pious debates, which are important to call attention to problems but do not solve anything.

The hour of six approaches, Mr. Speaker. One would have hoped that we could have had a longer discussion of this problem of extreme importance to many of our constituents, but as that hour approaches and I should not like to be the one who talked out this particular measure I will resume my seat,

[Mr. Lessard (Lake St. John).]

commending it and hoping we may have a vote on it at this moment to show our approval of the principle of the resolution before us.

[*Translation*]

Mr. Maurice Rinfret (St. James): Mr. Speaker, I am pleased to join with the hon. members to stress that when unemployment is heavy people over 40 are precisely among those who are hit first—

An hon. Member: Question.

Another hon. Member: It is six o'clock.

Mr. Rinfret: The first responsibility with regard to this problem rests with the employers. It is a public duty for them not to eliminate automatically a candidate because of his age but rather to accept applications from unemployed people of 40 years of age and over and to consider each of them on their merits.

The manufacturers' association and the chambers of commerce must be asked to co-operate so that a candidate's age will no longer be held against him and he will no longer be told: "You are too young, come back when you have more experience", or else: "You are too old."

Governments must also co-operate to stop that bad habit—

An hon. Member: It is six o'clock.

Mr. Rinfret: —through the different government services, such as the national employment service—

An hon. Member: It is time to call it six o'clock.

Mr. Rinfret: —the civil service commission—

[*Text*]

The Acting Speaker (Mr. Batten): Order. It being six o'clock I must advise the house that the hour for consideration of private members' business has expired.

Mr. Scott: On a point of order, Mr. Speaker, as there is such unanimity of endorsement of this proposal perhaps hon. members would like to sit an extra half an hour so we could discuss it further and then vote on it.

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, since there does not appear to be unanimous consent to this interesting suggestion, it occurs to me that since many hon. members look at the very end of *Hansard* to see what the business is perhaps it should be reiterated without any further discussion. Tomorrow we will start

with interim supply. As soon as that is completed we will take the old age security bill. If that should be completed we will go ahead with the two Northwest Territories bills, and if all of these things should be disposed of tomorrow we would go back to the vocational training resolution. For reasons that everyone understands, I cannot forecast Friday now.

At six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, October 3, 1963

The house met at 2.30 p.m.

PRIVILEGE

MISS LAMARSH—CORRECTION OF NEWSPAPER REPORT RESPECTING RECORDED INTERVIEW

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I rise on a question of personal privilege. In the debate on the amendment to the Old Age Security Act two evenings ago there was an unfortunate reluctance by some members opposite, and in particular the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), to accept my word with respect to an alleged tape recorded interview which had been held and published in last Friday's issue of the Toronto *Globe and Mail*. I beg to call to the attention of the house, and particularly the hon. member, a report which appears on the front page of today's issue of the *Globe and Mail*. I wish, sir, to read it into the record. It is as follows:

> Health minister Judy LaMarsh has denied in the commons that she suggested there were any grounds for accusing the Lesage government in Quebec as "Nazi-to-be". Thanking the member who gave her the opportunity to make the denial, Miss LaMarsh said she had never made such a statement at any time to anyone.
>
> The issue arose as the result of an interview on the subject of pensions which Miss LaMarsh had given to a staff writer of the *Globe and Mail*. The interview was published in Friday editions of this newspaper.
>
> A report in Wednesday's editions of the *Globe and Mail* on the commons exchange stated erroneously that a tape recorder had been used during the interview. While the newspaper had considered the possibility of recording the interview and while this possibility had been mentioned to Miss LaMarsh, no tape recorder was used. The *Globe and Mail* regrets this error in its account of the debate and any embarrassment it may have caused Miss LaMarsh.

LABOUR RELATIONS

ST. LAWRENCE RIVER—THREATENED STRIKE OF LONGSHOREMEN

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 Minister of Labour and ask him what is the present position with respect to the threatened strike by the longshoremen. What action is being taken, and what are the hopes of this dispute being settled?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the special mediator appointed to deal with this matter has met with the shipping federation, and he also met separately with the longshoremen. I understand he has a meeting this afternoon with both groups, and at that meeting he will attempt to mediate the differences between the two parties concerned. I think we must give Judge Lippe an opportunity to exhaust all possibilities in the process of mediation before undertaking any further action at this time.

Mr. Diefenbaker: In the event that there is not a settlement, has the government a plan in mind to prevent this very serious situation developing?

Mr. MacEachen: I think the situation is serious in light of a possible strike. It ought to be realized that any strike contemplated is fully lawful in the situation, because it would occur after a seven day interval following the report of the conciliation board. However, the government is keeping a very careful watch on the situation and will decide what steps should be taken in the event of any breakdown in the mediation process. But I think it would be premature to assume at this stage that they will be unsuccessful in reaching a settlement.

GREAT LAKES—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask the Minister of Labour whether he can advise the house what the delay is in dealing with the great lakes situation, and when is the government expecting to take action in order to resolve this serious situation?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the government has placed on the order paper at the earliest possible moment a resolution providing for the introduction of legislation for the establishment of a public trusteeship. Under our parliamentary process today would be the first day that it would be possible to deal with that matter. However, a very intensive consideration of this problem is being undertaken today in Ottawa. The under secretary of labour for the United States, Mr. Reynolds, has been in Ottawa since ten o'clock this

morning; discussions are going on and contact is being maintained from this central discussion with other groups in the search for an inter-union settlement. In those circumstances it would be my view that it would be premature to proceed until all the possibilities for an inter-union settlement have been exhausted.

Mr. Starr: A supplementary question. In view of what the minister has said, are we to believe that it is now left to the United States government to resolve this dispute?

Mr. MacEachen: On the contrary, Mr. Speaker, the Canadian government realizes the importance and seriousness of this matter and has been acting in a very constructive and determined way since the receipt of the Norris commission report. On the other hand, as I have said already, the government intends to proceed with this legislation unless a solid and effective alternative is presented. The Canadian labour movement, I am sure, is quite capable of deciding what should be done in consultation with the Canadian government, and the government is quite capable, following such consultation, of deciding what is an effective and solid alternative. I think it would be irresponsible in the situation not to allow for the possibility of an inter-union arrangement in which the Canadian Labour Congress would be a full participant.

Mr. Starr: I should like to ask the Minister of Labour a further supplementary question. What is the role of the undersecretary of labour for the United States in this dispute, since he is here in Canada?

Mr. MacEachen: I think it has been obvious for some months now that the good offices of the undersecretary of labour of the United States have been available to assist in the settlement of the situation which, as the hon. member knows, has very serious international implications. The secretary of labour and his under secretary have lent their good offices in the search for this solid, effective alternative in the form of an inter-union arrangement.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. Newspaper reports suggest that the Minister of Labour is bringing pressure on Canadian trade union leaders to accept a private trusteeship in which the final appeal will be to the A.F. of L.-C.I.O. labour movement of the United States. I want to ask the minister first whether he will deny that; and second, whether he will assure the house that if government trusteeship legislation is abandoned we can be sure that any private trusteeship will be effective, and that it will be vested in Canada and under the control of the Canadian labour movement?

Mr. MacEachen: I think it is altogether false to suggest that the Minister of Labour of Canada has put any pressure on the officers of the Canadian Labour Congress to accept any such settlement, and I believe the officers of the Canadian Labour Congress would be the first to admit that I have consulted them in a spirit of responsibility at every stage of these negotiations. The Canadian Labour Congress and the various labour bodies concerned in Canada will obviously be permitted to express their views and to make their own decisions, because any alternative to government action will provide for an arrangement between the two labour sectors, one in the United States and one in Canada; and surely it is not the purpose of the Canadian government to put pressure on the C.L.C. to reach a decision which in its judgment would be contrary to its best interests.

I can assure the hon. member that our purpose in this situation is to establish an effective alternative if possible. If that should not be possible the government will proceed with its public trusteeship legislation. I assure hon. members there will be no disposition on the part of the Canadian government to enter into an arrangement, or withdraw, in this situation if the alternative in our judgment would not be effective, or fail to protect Canadian interests.

Mr. Douglas: A further supplementary question. May I ask the minister if he himself has seen the United States under secretary of labour, or if the latter is here for the purpose of exerting such pressure as he may choose on the Canadian trade union leaders?

Mr. MacEachen: Yes, Mr. Speaker, I saw Mr. Reynolds this morning and had a discussion with him in which we reviewed the situation. To my knowledge the under secretary has had no direct contact with the officers of the Canadian Labour Congress, and in the circumstances any contact would be undertaken, at least initially, through officials of my department or myself. I wish to assure the hon. member that the under secretary of labour has come to Canada as the result of a request which I made to the secretary of labour of the United States that an honest search should be continued toward a solution of this difficult question. We are honestly searching to find out what alternatives may still remain and whether the differences may be reconciled. That is the purpose of the under secretary's visit. There is certainly no intention that he come here to exert pressure on the Canadian government or the Canadian Labour Congress.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I listened with interest to the fulsome praise of the activities of the secretary of labour of the United States in this connection—

An hon. Member: Shame.

Mr. Pearson: How cheap can he get?

Mr. Diefenbaker: Hon. gentlemen say "shame". Apparently they want United States interference in Canadian labour matters. I want to ask the minister this. Did the secretary of labour, Mr. Wirtz, advise the shipping company in Toronto that it ought not to allow its ship to go to Chicago? I am referring, of course, to the Leitch shipping company.

Mr. MacEachen: I have no knowledge whatever that the secretary of labour has made any representations to Mr. Leitch with respect to the disposition of any ship. I wish to assure the right hon. gentleman that the secretary of labour has made no such representations to me as Minister of Labour.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO APPOINTMENT OF PRESIDENT

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, my question is addressed to the Prime Minister. Has the government taken any decision regarding the appointment of a new president of the Canadian National Railways and if not, when does it intend to do so?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I hope to be able to make an announcement on this matter tomorrow.

OLD AGE SECURITY

DISTRIBUTION OF PROCEEDS FROM INCREASED TAX

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): May I direct a question to the Prime Minister? Could he tell the house whether it is true that the raise in taxes to pay for the old age pension increase is due to the fact that the province of Quebec refuses to take part in the federal pension plan, as stated by the Minister of National Health and Welfare (Miss LaMarsh)?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the tax in question will be for the purpose of increasing the pension to all Canadians; therefore all Canadians will participate in the plan.

INQUIRY AS TO INCREASE IN AMOUNT OF PENSION

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I would like to direct a question to the Prime Minister concerning today's order paper. As he will notice, item No. 16 is to introduce a measure to establish a Canada pension plan, and this particular resolution includes a clause:

—for the payment of an additional pension of ten dollars a month to all persons to whom a pension may be paid under the Old Age Security Act;

My question is, would he give a little direction and leadership to the house, and I think probably to the house leader and the Minister of National Health and Welfare, to get the resolution off the order paper, or explain to the house whether he is going to add this on to the $75 provided in item No. 8?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to give a little direction to the hon. gentleman, because I know he needs it, and I will look into this important matter.

LABOUR CONDITIONS

H.M.C.S. "DOCKYARD", HALIFAX—INQUIRY AS TO LAY-OFFS

On the orders of the day:

Mr. C. F. Kennedy (Colchester-Hants): Mr. Speaker, I wish to direct a question to the Minister of National Defence. Are lay-offs of personnel employed at H.M.C.S. *Dockyard*, Halifax, expected this fall? If so, when, and how many employees will be affected?

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

D.E.W. LINE—APPLICATION OF EMPLOYEES FOR UNION CERTIFICATION

On the orders of the day:

Mr. Andrew Brewin (Greenwood): I should like to direct a question to the Minister of Labour. Has the attention of the minister been called to a press dispatch in *Le Devoir* of September 26 to the effect that a United States company is arguing before the Canada labour relations board that its 600 employees on bases on the D.E.W. Line should be deprived of their rights to belong to a trade union and to bargain collectively by virtue of a Canada-United States treaty relating to these bases? What action does the minister propose to protect the rights of the Canadian workers concerned?

Inquiries of the Ministry

Hon. A. J. MacEachen (Minister of Labour): I thank the hon. member for notice of his question. I just wish to tell him that the international brotherhood of electrical workers covering the employees of the Federal Electric Company has an application for certification before the Canada labour relations board at present. Recently the board heard evidence on this point and reserved its decision. I feel we must wait first for the decision of the Canada labour relations board before going further into the matter.

QUEBEC—REQUEST FOR DESIGNATION OF CERTAIN AREAS

On the orders of the day:

[*Translation*]

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, I should like to direct a question to the Minister of Labour. Could the minister inform the house of the decision reached by his department and the government following the energetic, loud but well-founded protests of the hon. members for Bonaventure and Gaspe (Messrs. Bechard and Cyr) to the effect that the Gaspe region be designated as a depressed area so that it may benefit from the advantages granted by the government in such cases?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the Department of Labour has had a proposal under consideration for some time, as I indicated in the house some weeks prior to the adjournment, with respect to the declaration of certain areas in Canada of high winter unemployment and to cover two special programs that I announced, I believe on June 10; namely the accelerated supplementary construction program and the additional 10 per cent for the municipal incentive program. These two measures were intended specifically for the areas of high winter unemployment.

The government has made a decision as to the designation of these areas of high winter unemployment, and I hope to be able to give the details to the house as soon as possible. I am sure this matter will be of interest to all hon. members of the house, including the two hon. gentlemen to whom my hon. friend has referred.

FINANCE

CONSUMER CREDIT—INQUIRY AS TO SETTING UP OF COMMITTEE

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I should like to address a question to the Solicitor General. When will the committee be set up to deal with the problem of consumer credit?

[Mr. Brewin.]

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker, that committee will be set up as soon as more urgent business of the house has been disposed of.

REGULATIONS RESPECTING MUNICIPAL LOAN LEGISLATION

On the orders of the day:

Mr. G. L. Chatterton (Esquimalt-Saanich): Mr. Speaker, I wish to direct a question to the Minister of Finance. Could the minister tell us when the regulations under the municipal development act will be published so the act can become operative?

Hon. Walter L. Gordon (Minister of Finance): These are now in the process of being discussed with representatives of the provinces, and it is my hope that they will come to a conclusion shortly.

REPORTED THREAT OF RETALIATORY ACTION BY UNITED STATES

On the orders of the day:

Mr. H. F. Jones (Saskatoon): Mr. Speaker, I should like to ask the Minister of Finance a question in regard to his recent meetings in Washington. What was the nature of the retaliatory action threatened by United States commerce secretary Hodges in the event that the Canadian government presses forward with the action commenced by the previous Canadian administration in encouraging the manufacture of more car parts and components in Canada? The retaliatory action referred to was mentioned by Mr. John Meyer in today's *Gazette*.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I have no idea.

EXTERNAL AFFAIRS

APPOINTMENT OF CANADIAN REPRESENTATIVE TO VATICAN

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): My question is intended for the Prime Minister. Is it the government's intention to consider in the near future the possibility of accrediting an ambassador to the Vatican?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is a matter of government policy, and when there is an announcement to be made it will be made in the house.

REPORTED NEW PROGRAM TO AID COMMONWEALTH COUNTRIES

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 Secretary of State for External Affairs. Press reports indicate that he informed the United States government at the recent joint cabinet meeting in Washington that Canada had a new three year aid program to benefit commonwealth countries. Would the minister let the house in on the secret?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in answer to the question of the right hon. gentleman I should like to say that I have not seen the report which suggested we had indicated an announcement of policy. I did inform those with whom we were conferring in Washington that Canada was giving consideration to its external aid program and hoped to be in a position some time within the foreseeable future to make a definite announcement as to the nature of that new policy.

Mr. Diefenbaker: Stripped of the extra words, did the hon. gentleman tell the United States government that Canada had a new three year plan for commonwealth assistance?

Mr. Martin (Essex East): Mr. Speaker, the hon. gentleman has asked me another question. I did say in addition that I hoped we would be in a position to announce that program of external aid for a period of at least three years.

An hon. Member: What does that mean?

INQUIRIES OF THE MINISTRY

[*Translation*]

On the orders of the day:

Mr. Gerard Perron (Beauce): Mr. Speaker, I should like to put a question to the Prime Minister. The morning papers report that the hon. member for Iles-de-la-Madeleine (Mr. Sauve) has stated before the Montreal Rotary Club that the federal government should vacate the provincial field. Was he then expressing the policy of the government?

[*Later:*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, may I direct a question to the Prime Minister? Would the Prime Minister tell the house if he shares the view expressed last night by the hon. member for Îles-de-la-Madeleine (Mr. Sauve) who said that the central government cannot go on any longer acting as it does now, that is presenting legislation and then, following a province's reactions, reach a compromise satisfactory to all concerned?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): As you know, Mr. Speaker, it is against the rules to ask questions of this kind relating to private members' statements. This question is quite improper.

HOUSE OF COMMONS

EXPENSE ALLOWANCES OF MEMBERS AND SENATORS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Finance. It has been brought to my attention that expense allowances for members of the other place are being paid on a different basis than those being paid to members of the House of Commons. Can the minister assure the house that the law is being compiled with in respect to these allowances?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I will be very glad to look into the matter and advise my hon. friend as soon as I have the information.

INQUIRY AS TO SITTINGS ON THANKSGIVING AND ARMISTICE DAYS

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I would like to address a question to the house leader and ask whether he would inform the house what course will be followed for Thanksgiving and Armistice days.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I think that, with the amount of business that still requires to be done in the present session, it will be necessary for the house to sit on both these days, and indeed on every possible sitting day for most of the rest of this year. I would imagine, however, that if there are ceremonies in Ottawa that would conflict in any way with the sittings of the house on Remembrance day, the sittings would be suitably adjusted. I refer to national ceremonies.

May I be permitted to respectfully suggest to Your Honour that on an early occasion you read to the house the admirable statement made by your predecessor, the hon. member for Edmonton West (Mr. Lambert) about questions on the orders of the day?

Mr. Mandziuk: Which you ignored.

Inquiries of the Ministry

ADMINISTRATION OF JUSTICE

RELATIONSHIP BETWEEN CRIMINAL ORGANIZATION IN U.S. AND CANADA

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Justice. Did the minister get in touch with the Attorney General of the United States in order to obtain all possible information regarding the connection between the American crime syndicate (Cosa Nostra) and organized crime in Canada, in conjunction with legal authorities of certain provinces, Ontario among others?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, the answer to the first part of the question is no. As to the second part, I think that this is a matter which comes under the jurisdiction of provincial rather than federal authorities.

[*Text*]

[*Later:*]

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Minister of Justice. Will the minister initiate a meeting of Canadian and United States police officials to establish a police liaison committee which would speed information about and action against crime?

Mr. Chevrier: Mr. Speaker, I will be glad to look into this question, but my understanding is that such a relationship already exists between the officers of the Royal Canadian Mounted Police and their opposites in the United States.

AGRICULTURE

TURKEYS—REMOVAL OF QUOTA ON IMPORTS FROM U.S.

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 Agriculture; I am sorry I have not given him notice. Would the minister advise the house whether the government has removed the quotas on United States turkeys entering Canada? If so, on what date were they removed?

Hon. Harry W. Hays (Minister of Agriculture): No, Mr. Speaker, the quota has not been removed.

Mr. Hales: A supplementary question. I am under the impression it has been, and following the minister's answer I was going to ask him if he had been able to secure any concession or reciprocal arrangement with regard to Canadian cheese entering the United States.

[Mr. Mandziuk.]

Mr. Hayes: Mr. Speaker, this is quite involved and probably the question should be put on the order paper.

[*Later:*]

Mr. Hales: In view of the answer which the Minister of Agriculture gave me a few moments ago with regard to quotas on United States turkeys coming into Canada, and in order to relieve any confusion in the industry, I wonder whether he would care to review that answer and maybe clarify it right now.

Mr. Hays: Mr. Speaker, I am glad the hon. member brought this question up again, because we have been discussing the removal of the quota on turkeys since last spring.

On August 21 it was decided that this should be done, and an order in council was passed on August 26 to this effect. Our reason for doing this was that turkeys imported into Canada are protected by a tariff of 5 cents per pound, and also the fact that the discounted dollar provides for another 2½ cents per pound protection which, plus the freight, amounts to something like 9 cents per pound before United States turkeys compete with Canadian turkeys.

It was also our feeling at the time this was decided that feed conditions in Canada were such that turkeys could be fed as reasonably here as they could in the United States, and there was no danger of any importations of United States turkeys affecting the price of Canadian turkeys. The matter was discussed with the turkey people before we decided on this course and they are quite familiar with the action that has been taken. I am referring to the Canadian turkey federation.

Mr. Hales: A supplementary question to the minister, Mr. Speaker. I thank him for bringing us up to date, because we were in a state of confusion until he clarified this matter. I would like to ask the minister, is it not a fact that he is in accord with the devaluation of the Canadian dollar that made this transaction possible?

CHEESE—INQUIRY AS TO IMPORTS FROM NEW ZEALAND

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to ask a question of the Minister of Agriculture.

In view of the position of the Canadian cheese market, does the government intend to proceed with its plan to import cheese from New Zealand in order to transform that

cheese into a by-product for export to the United States, notwithstanding the objection raised by the Canadian farmers' unions?

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, this question should possibly be directed to the Minister of Trade and Commerce. We do have in Canada a very favourable trade balance with New Zealand and we are not importing any cheese from New Zealand. This will be government policy. If it is changed at that time, it will be announced in the house.

WHEAT—SUGGESTED ALTERNATIVES TO DECREASED PRODUCTION

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, my question is directed to the Minister of Agriculture. During his recent swing through the prairies he asked the farmers to produce less wheat. What is the alternative to the production of wheat?

Hon. Harry W. Hays (Minister of Agriculture): Oats, barley and cattle.

An hon. Member: And turkeys.

SUPPLIES OF FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

Hon. Harry W. Hays (Minister of Agriculture): While I am on my feet, on orders of the day on Tuesday last the hon. member for Beauce inquired whether I intended to order the construction of feed grain bins for the benefit of eastern farmers so as to reduce the cost of feed grain to the eastern feed mills.

As the hon. member undoubtedly knows, the government announced in August a new feed grain policy under which it will pay storage charges over the winter months on western feed grains in eastern elevators, and an estimate will be presented to the house to implement this program which, along with the freight payments, provides very substantial assistance in reducing the cost of feed grains to eastern producers. It will also help materially in ensuring adequate stocks of feed grains for eastern Canada.

CANADIAN FLAG

INQUIRY AS TO COMMITTEE ON NATIONAL FLAG AND ANTHEM

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the Prime Minister of Canada? Following some of his previous statements, could the Prime Minister inform the house when he intends to set up a special committee to choose a distinctive emblem for Canada, that is a flag and a national anthem, as he has promised to do before 1965?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): We will discharge our commitment in this regard, and it might not require a committee of the House of Commons first.

ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—REPLACEMENT AS JET TRAINING BASE

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): I should like to direct a question to the Minister of National Defence. I understand his department is now closing the $50 million air force jet training station at Penhold. I wonder if he would mind telling the house where the personnel of that training centre will be placed, and where a new training centre will be opened?

Hon. Paul Hellyer (Minister of National Defence): The personnel who will not be required there will be used at another base where service flying will be undertaken. This will be chosen from existing R.C.A.F. bases, and will be well suited for the purpose.

Mr. H. F. Jones (Saskatoon): Can the Minister of National Defence tell us whether Saskatoon is on the list of those air force stations that will receive consideration for the new jet base?

Hon. Paul Hellyer (Minister of National Defence): I think all R.C.A.F. bases would be considered, but I would not want to hold out too much hope to the hon. member.

Mr. Woolliams: How many jet air training stations could replace this station at Penhold? Some are suitable and some are not.

Mr. Hellyer: In view of the fact that the list is lengthy, Mr. Speaker, perhaps the hon. gentleman would put his question on the order paper.

SHIPPING

LOWER ST. LAWRENCE—INQUIRY AS TO ICEBREAKING ACTIVITIES

On the orders of the day:

Hon. Leon Balcer (Three Rivers): I should like to ask the Minister of Transport if the department contemplates a change in the activity of the departmental icebreakers on the lower St. Lawrence next winter in view of the importance of winter navigation in that area.

Inquiries of the Ministry

Hon. G. J. McIlraith (Minister of Transport): I could get a complete answer for that question if it were put on the order paper. I could answer it now, but I do not think it has the urgency of the type required by our rules.

Mr. Pigeon: Mr. Speaker will decide that.

POST OFFICE DEPARTMENT

QUEBEC CITY—REPORTED COMPLAINTS RESPECTING ACCOMMODATION

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to direct a question to the Postmaster General. Can the Postmaster General tell the house whether he received a request from the Quebec city letter carriers concerning the numerous disadvantages which exist in the new post office, such as, for instance, rooms too small for the gathering of letter carriers and a ceiling light badly set up for good visibility.

Hon. Azellus Denis (Postmaster General): Mr. Speaker, as far as the first part of the question is concerned, the answer is no. As for the second part, I deny it as such.

[*Text*]

TISDALE, SASK.—REMOVAL OF TELEPHONE FROM POST OFFICE

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, my question is directed to the Postmaster General. Would the minister instruct his officials to investigate the reason for removing the telephone from the post office at Tisdale?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, if the hon. member will please put his question on the order paper he will get a complete answer.

INQUIRY AS TO ISSUE OF COMMEMORATIVE STAMPS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Prime Minister.

In view of the government's intention to issue a postage stamp dedicated to world peace, does the government also intend to issue a postage stamp commemorating the acquisition of American nuclear arms by Canada?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I regret that so many of the hon. gentleman's questions are both foolish and out of order.

[Mr. Balcer.]

UNITED NATIONS

REQUEST FOR REPORT ON WORK OF ASSEMBLY

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to address a question to the Secretary of State for External Affairs, and perhaps before doing so I may be permitted to welcome him back to the house for this part of the session. Does he intend to submit a report on the activities of the United Nations assembly which he has been attending, with particular reference to whether the serious financial problem they had has been resolved and if the solution has been acceptable?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I thank the hon. gentleman for his initial remarks. The question to which he refers has not been resolved, and it will be one of the matters that will be considered in part at this assembly. It will probably not be resolved until the next assembly.

NORTHERN AFFAIRS

HAINES ROAD—INQUIRY AS TO MAINTENANCE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, my question to the minister of northern affairs arises from the fact that he sent a committee of his officials to the Yukon to report to him on the feasibility of maintaining the Haines cut-off road. Has the minister received this report as yet, and if so is any action intended by the government to keep the road open this winter?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, as the hon. member knows I made an extensive tour to the northwest, including the United States panhandle, the Prince Rupert area and the Yukon, and I became aware of some important transportation problems of considerable consequence to Canada. I arranged for some five senior officials to go there and make a report on the problems. They have now returned to their posts in Ottawa but their report is not completed, and until it is I cannot say what government action will be taken.

INQUIRY AS TO RECREATIONAL PARKS PROGRAM

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. Could the minister inform the house whether the recreational parks program that was discussed in the house last June 26 has been launched; and if so, will it be included in the winter works program?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, may I take this question as notice?

YUKON—WORK OF COMMITTEE ON AGRICULTURAL DEVELOPMENT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Agriculture. I wonder whether he could inform the house what progress the special interdepartmental committee set up by his predecessor and minister of northern affairs has made with regard to agricultural development in the Yukon?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I would ask the hon. member to put that question on the order paper.

PUBLICATIONS

IMPLEMENTATION OF RECOMMENDATIONS OF ROYAL COMMISSION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Secretary of State. I note that in the legislation that is proposed for the rest of this session there is no mention of the recommendations which were contained in the O'Leary report. Would he inform the house whether any legislation is planned this session to implement any of these recommendations, or otherwise to protect the Canadian magazine industry?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, of course that is a matter of policy on which I would not be in a position to give an answer.

NATIONAL DEFENCE

INQUIRY AS TO GENERAL FRIGATE PROGRAM

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question for the Minister of National Defence. Before the house adjourned the minister was considering the general frigate program. I am wondering whether the minister is still considering that program, and whether he has at last reached a decision on it.

Hon. Paul Hellyer (Minister of National Defence): Well, Mr. Speaker, I hope that a decision will be reached soon.

BILINGUAL SIGNS ON DEFENCE HEADQUARTERS VEHICLES

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, I direct my question to the Minister of National Defence.

Could the minister tell the house when his department intends to have bilingual markings placed on trucks and other vehicles serving national defence headquarters? What positive measures is the department taking in that respect?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): I will take the question as notice, Mr. Speaker.

PUBLIC SERVICE

REPORT OF COMMITTEE RESPECTING COLLECTIVE BARGAINING

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 when the government expects the report from the committee which was appointed to inquire into the possibility of establishing collective bargaining rights for the civil service?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I cannot say when that report will be received. My hon. friend knows this is an important and complicated matter and will take some time, but I will be glad to look into it.

Mr. Knowles: As a supplementary question, is it still the hope of the government to introduce legislation on this matter this session?

Mr. Pearson: It is the hope of the government to have legislation on this matter as soon as that can be arranged, but it will be some time before that will be possible.

TRADE

RUSSIA—REQUEST FOR TABLING OF AGREEMENT

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I wanted to address a question to the Minister of Trade and Commerce, but perhaps in his absence the Prime Minister would answer because of the widespread interest in the matter. Would the Prime Minister agree to table in the house the recent trade agreement signed between his government and the government of Russia, excluding from it those portions dealing with the wheat sale?

Inquiries of the Ministry

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I will be very glad to take that up with the minister and see what can be done in that respect.

WHEAT—SHIPMENTS TO RUSSIA THROUGH CHURCHILL

On the orders of the day:

Mr. H. F. Jones (Saskatoon): Mr. Speaker, I wonder whether the Minister of Agriculture would tell us what steps, if any, he took to advise the Russians of the advantages of making use of the port of Churchill with regard to the recently announced wheat shipments?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, this was answered by the Minister of Trade and Commerce, I just do not know which day. I think it was last Monday.

Mr. Jones: I was asking what the Minister of Agriculture had done in this regard, if anything?

AIRPORTS

ST. IRENEE, QUE.—OPERATION DURING WINTER SEASON

On the orders of the day:

[*Translation*]

Mr. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Is it expected by the government that the St. Irenee airport, Charlevoix county, can be maintained in operation during next winter?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): I will take that question as notice, Mr. Speaker.

BAGOTVILLE, QUE.—INQUIRY AS TO TERMINAL CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I direct my question to the Minister of Transport. Could the minister inform the house as to the new developments that have taken place as regards the building of an air terminal in Bagotville?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker, I can do that if the hon. gentleman will put his question on the order paper so that I may have the opportunity of preparing a suitable reply.

[Mr. Scott.]

TRANS-CANADA AIR LINES

REQUEST FOR EMPLOYMENT OF BILINGUAL PERSONNEL

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Transport.

In view of the fact that unilingualism still prevails on several T.C.A. lines in the province of Quebec and elsewhere, what steps does the department intend to take in order to provide us with the service of bilingual stewardesses on all T.C.A. lines?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, the hon. member's lengthy question contains some assertions that are not in accordance with the facts. As to the substantive part of the question, I will deal with that later if I am permitted to take the question as notice. I will bring the hon. member an answer in the next day or so.

CONSTRUCTION IN CANADA OF NEW PLANES TO BE ACQUIRED

On the orders of the day:

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, I have a question for the Minister of Labour.

Could the minister tell the house whether there were recent developments concerning the construction of Caravelles by Canadair in Montreal for T.C.A.

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): I am sorry, Mr. Speaker; I did not catch the whole of the question. I wonder whether the hon. member would put his question on the order paper.

FISHERIES

NORTH PACIFIC TREATY—REPORTED IMPASSE IN DISCUSSIONS

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I should like to direct a question to the Secretary of State for External Affairs.

Is it true that the negotiations relating to the North Pacific fisheries are in a stalemate?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, if I understood the question correctly, I must say that the negotiations are not yet completed.

[*Text*]

SUPPLY

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

INTERIM SUPPLY

Mr. Gordon moved:

Resolved, that a sum not exceeding $747,449,955.03, being the aggregate of—

(a) two twelfths of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except fisheries item 45, northern affairs and national resources item 10 and public works items 20 and 190 for which the proportion is one twelfth and except atomic energy item 5, external affairs item 107 and loans, investments and advances item L20 for which no proportion is requested, $640,449,276.00;

(b) an additional three twelfths of the amount of transport item 35, $820,000.00;

(c) an additional two twelfths of the amount of agriculture item 50, $178,833.34;

(d) an additional one twelfth of the amounts of agriculture items 25, 100 and 145, citizenship and immigration item 30, transport item 10, of the said estimates, $3,583,608.34;

(e) two twelfths of the total of the amounts of the items set forth in the supplementary estimates (A) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs item 96a, finance item 5a, northern affairs and national resources item 110a, and loans, investments and advances items L13a and L63a, $48,103,070.00;

(f) an additional three twelfths of the amount of external affairs item 117a, $84,240.00;

(g) an additional two twelfths of the amount of external affairs item 116a, $280,800.00;

(h) two twelfths of the amount of the item set forth in the supplementary estimates (B) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $1,166,666.67;

(i) two twelfths of the amount of the item set forth in the supplementary estimates (C) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $3,333,333.34;

(j) eight twelfths of the amounts of the items set forth in the supplementary estimates (D) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $49,444,457.34;

(k) an additional three twelfths of the amount of external affairs item 117d, $5,670.00;

be granted to Her Majesty on account of the fiscal year ending March 31, 1964.

The Chairman: Shall the resolution carry?

Mr. Douglas: Mr. Chairman, I am taking the first opportunity which has presented itself—

The Chairman: Order. The hon. member for Brome-Missisquoi.

Mr. Grafftey: Before I proceed, Mr. Chairman, was the Minister of Finance about to make a statement at the outset of the debate?

Mr. Gordon: Mr. Chairman, I had not planned to make a statement at the outset of this debate at the resolution stage, but if hon. members have any questions they would like to put to me I would be very glad to do my best to answer them.

Mr. Churchill: Just on a point of clarification, is the minister going to give the usual undertaking regarding the submission of these estimates?

Mr. Gordon: Mr. Chairman, I understood that that was usually given when the bill was before the committee, but I will be glad to do it now. This resolution provides two twelfths of the items in the main and supplementary estimates tabled prior to the adjournment and includes eight twelfths of the supplementary estimates tabled yesterday, bringing the total supply which would be released to date up to eight twelfths of the total estimates if the bill is passed. There are a small number of items required in addition to these proportions because of the seasonal nature of the expenditures.

When the bill is presented it will also include additional borrowing authority up to $500 million. I should like to assure the committee that the proportions requested in the bill, as hon. members will see when it is before the committee, are intended to provide for all necessary requirements of the public service up to November 30, 1963. In no instance is the total amount of an item being released by the bill. The form of this bill is the usual one for interim supply bills, and the passing of this bill will not prejudice the rights and privileges of hon. members to question or criticize any item in the estimates when it comes up for consideration. The usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

Mr. Grafftey: I should like to thank the minister for his most helpful and useful statement. Before this committee votes interim supply it is my duty and my purpose to bring to the notice of hon. members certain recent developments in this country, developments which, in the opinion of the majority of our members on this side of the house, if continued will have serious effects on Canada and on all Canadians.

These developments relate to the total collapse of the majority of the government's major legislative proposals as contained in the speech from the throne. They relate, in fact, to the total collapse of the Pearson plan for moving our economy ahead and for upholding the myth of improving Canada's prestige abroad.

Why has such a collapse taken place? Many Canadians of all political stripes are asking

this question today. It has happened because the government, by its dictatorial arrogance and by its lack of consultation with the people and with local authorities during its short time in office, has lost touch with reality and with the people of Canada.

In my brief remarks this afternoon I should like to touch with equal brevity on some background historical material. During the war years and the post-war years, Canadians willingly gave up many of their normal freedoms in order to bring the world conflict to a successful conclusion. In the fifties the Liberal establishment was denied by the people of Canada, speaking through their duly elected members in this House of Commons, the possession of complete emergency powers forever. That was in 1956 and 1957. One would have thought the Grits would have learned their lesson. Yet the dictatorial arrogance of 1956 and 1957 was only a minor tune as compared with the symphony of confusion we have today. I say that the Pearson-Gordon-LaMarsh attitude must go. Canadians of all parties—and this includes Liberals, Conservatives and members of other political parties from the Atlantic to the Pacific—demand that it should go for the good of Canada.

Many people in Canada today say they see little difference in the approach of the political parties to major public issues. Perhaps that is something for which all members in this house are to blame to a greater or lesser degree. Nevertheless, for those of us who have examined Liberal doctrine and the position taken by the Grits, there is no difficulty in discovering the reason for contemporary confusion. Only the other day backbenchers of the party opposite castigated the cabinet in general and individual ministers in particular. I am sure this is the first time in the history of modern democracy that a ministry has been castigated by its backbenchers for losing touch not only with the people of Canada but with its own supporters in parliament.

There is another matter which I think should be brought up again and again both on the floor of the chamber and outside; something which will make clear beyond doubt the difference between the political parties in this country today, a difference which will soon become readily apparent to all Canadians. The hon. lady who a number of weeks ago proposed or seconded the address in reply to the speech from the throne enunciated a Liberal collectivist theory which was not denied by anyone in the Liberal high command. This theory means, in essence, that the individual today does not count in the eyes of the government; he does not know what is good for him. According to this theory the Liberal establishment will tell him what is good for him, and government decisions will be enforced in every locality whether wanted or not.

What happened yesterday? We asked the Minister of Labour whether, before he decreed that certain municipalities were to be declared depressed areas, the local authorities had been consulted in advance. The minister did not answer because he knew the local authorities had not been consulted. These municipalities are to be declared depressed areas whether they want it or not, merely because someone here in Ottawa has a chart which says they must be called depressed areas. Lack of consultation is one of the major reasons why the whole government's domestic program is on the rocks. Arrogance, lack of humility and lack of consultation have produced this situation. I notice the superior attitude of the President of the Privy Council. He looks across at me as if I were a young school boy who knows nothing about the intricacies of the planners. I say to him that planning or no planning, in a confederation such as Canada you should consult the local authorities before superimposing decisions on them from the top.

Before I catalogue in some detail the results of this attitude there is another thing I should like to say. It relates to our great civil service. But before I bring this subject to the attention of our members, and to make sure that responsibility will surround the debate in this regard, I wish to say that in my opinion Canada happens to be blessed with one of the finest civil services in the free world. Nothing that I have to say relates to any desire on my part to amend the Civil Service Act or the departmental regulations concerning political activity in the civil service. I want to make that perfectly clear before I proceed with the remarks I wish to make.

Having said that, I wish to emphasize and re-emphasize that we are witnessing a phenomenon which I think is unprecedented in parliamentary history in the modern western world, namely the composition of the ministry which is before us today. The Liberal ministry of today is made up to the extent of more than one third, of former senior civil servants.

I do not intend to suggest that this in itself is a bad thing, but I am going to say this; that in Canada today under the parliamentary system, Montesquieu's separation of powers theory does not necessarily, in toto or in part, apply to parliamentary democracy. We in the Canadian parliament only have true freedom when there is a real separation between the administrative and legislative wings of government and I maintain that with the present ministry, one third of which is composed of

former senior bureaucrats, we do not have that desirable state of freedom today. Having already said, and I reiterate, that we have in Canada one of the finest civil services in the western world, I say that this point must be placed again and again before the people of Canada.

I have often talked to the Secretary of State privately and I know he feels that I belabour this point to an absurd degree, but I think this situation must be looked at seriously today regardless of any consideration of amendments to the Civil Service Act or departmental regulations.

Mr. Pickersgill: Could the hon. gentleman repeat that sentence? I apologize to him. As he knows, I have one deaf ear and I was giving the other to the Secretary of State for External Affairs.

Mr. Grafftey: Since I am not reading from a text it is hard for me to go back. I will never forget the spectacle of the Prime Minister meeting all the deputy ministers after the election. I thought this was a very poor move. It was as if he was saying "Hello, boys, here we are again; we are the only establishment you can ever work with for the good of Canada". What palpably absurd nonsense. No matter how much yelling I hear from the opposite benches I am going to bring this point before the house and the people of Canada time and time again.

I have brought the point before the House of Commons that much of the Liberal economic program has foundered on the rocks because of a lack of consultation with local authorities and the people. It has always been a Conservative principle to put emphasis on the wishes of the people and the dignity of the individual. We realize that in our federal union, to dictate from Ottawa without consulting the local authorities crushes individual initiative and spells disaster.

I am not thinging about this only for today, Mr. Chairman. Burke, one of the great founders of Conservative principles, placed great emphasis on the importance of local self-agency. This is a principle or doctrine that Liberalism has never been able to claim, so let us not be surprised at what is happening today. The people of Canada should recognize this difference in principle. Burke's idea of local self-agency is a principle which is very important to Canadian Conservatism in 1963.

In the speech from the throne we heard about the notion of co-operative federalism. As far as most members on this side of the house are concerned, co-operative federalism denotes a high degree of consultation. What have we seen in the few short months since? I put this straight question to the Minister of National Health and Welfare. When the hon. lady introduced the universal contributory pension scheme on the floor of the House of Commons on July 18 last was she aware—yes or no—of Mr. Lesage's intentions, either from her colleagues in the cabinet or through reading the province of Quebec press? If she was aware, why did she go blindly ahead? This question has not been answered. Here again we have a lack of co-operation and a lack of consultation with the provinces.

The Minister of Labour admitted that he did not consult the Minister of Finance before he brought in the $500 bonus for home builders. I asked the Minister of Labour repeatedly yesterday, do you intend to consult the municipalities before declaring that they are depressed areas? I did not get an answer. Why? Because Liberal doctrine dictates that there is no consultation. Whether or not the municipality wants to be designated a depressed area, it is going to be called one. Under our administration we did not call them distressed areas; they were labour surplus areas. The legislation was made public and situations were dealt with on the basis of local initiative.

Surely the Minister of Finance must realize that his budget and the major economic measures he intended to introduce on the floor of the House of Commons—hon. members may laugh, but these are the facts and the people of Canada know them—to move the economy ahead floundered. Why? Because of a lack of consultation. With regard to the municipal loans legislation there was no consultation with local authorities or the provinces. In respect of the budget there was no consultation with senior civil servants. It is no wonder that because of a lack of consultation an integral part of the whole economic program of the government has floundered, much to the regret of all Canadians who put country before party.

I hope that never again will a tax be levied and then revised as was done in the case of the tax on building materials. I am not going into details in this regard.

However, the retail lumbermen's association met in Vancouver last week, and its members were most alarmed at the slow-down in construction which is directly attributable to this tax. In the city of Calgary alone construction has declined by $30 million in the period from June 14 until now compared with a similar period last year.

Much to our incredible surprise we also see no consultation among the cabinet ministers themselves. The Prime Minister says that the health plan should be submitted to a parliamentary committee. The Minister of National

Health and Welfare says that she hopes it will not be and it should not be. We hear free trade doctrines coming out of the mouth of the Minister of Trade and Commerce while on the other hand the new Minister of Industry preaches protectionism.

Every Canadian wants to see the world fair under way and preparations completed on time, but look at the confusion and lack of consultation that have existed up until now. Just the other day a suggestion emanated from the government that they may name a Liberal backbencher as a liaison officer between the authorities in Montreal and Ottawa. Will this add more confusion to the confusion already existing? We do not know, but we do know that many of the difficulties with regard to the world fair up to now have been caused by a lack of consultation. That is a phrase I am reiterating time and time again in my brief speech this afternoon.

A few weeks ago I asked the Minister of Agriculture whether before designating areas for ARDA projects the local authorities were consulted. The minister could not even give me an answer. In every country in the western world with legislation like ARDA the programs are based on the idea of local initiative, but even after repeated questioning the Minister of Agriculture could not guarantee to the house that ARDA projects would be designated only after consultation with the local authorities.

I am not taking sides at the present time in the classical debate of centralization versus provincial rights, but whether you feel that Canada is in danger of being balkanized too much or whether you feel that Canada should not have too much central government, no matter what side you take in this debate, I think all hon. members recognize the desirability of setting up within a very short time some sort of agency or secretariat for federal-provincial relations.

I say, and many members have said inside and outside this house, that such an agency or secretariat will not necessarily solve all the problems, but it will go a long way toward helping to channel communication with different levels of government. I say to the ministry opposite in the name of the people governed, first of all let us consult local authorities. Let us all realize that the original Pearson myth for improving our image abroad is long dead, as the Pearson plan for moving our economy ahead is dead. Let us make it plain that dictatorial arrogance has no place in a young, dynamic nation like Canada that will soon be celebrating its 100th birthday.

[*Translation*]

Mr. Caouette: Mr. Chairman, at the outset I would like to mention my satisfaction at the re-election to the Social Credit government in British Columbia. It is a fact, as Premier Bennett of British Columbia often said, that every time a Social Credit government is elected in any part of Canada, nobody seems able to defeat it. The same thing will happen federally as soon as the Canadian electorate decides to rely on a progressive government instead of having an administration resorting to the same old tricks since confederation.

Mr. Chairman, I would like to say a few words about the ways some income tax inspectors are terrorizing the people of the province, of the country and more particularly of my own riding. No sooner were the last income tax returns submitted by the Canadian taxpayers, than inspectors in the Rouyn-Noranda area office started playing around with the receipts for charitable donations and established on their own initiative the amount allowable for each taxpayer. Receipts for $700 or $800 were reduced in the Rouyn local office to $100, a reduction of $500 and $600. And the government gives a free hand to those inspectors, those leeches who are literally terrorizing the people who are earning their living through hard work. I consider shameful that such zealots be tolerated in the service of a government or a state such as Canada.

I therefore vehemently protest against the acts of those people who enter almost forcibly in private homes, small businesses and practically paralyse the economy of our area. Please note, Mr. Chairman, that the government has designated that district as an economically depressed area. In the same area were also included Val d'Or and Rouyn. I will have something more to say about that depressed area in a moment.

There is another point I would like to raise in this house, and I am sorry that the Postmaster General (Mr. Denis) is away, because it concerns his department. This concerns patronage. We often hear from civil servants and government members that there is no patronage at the federal level, that in Ottawa British traditions are respected and that a man is entitled to only one vote; the member of parliament is respected; the Conservative, Social Credit and N.D.P. or Liberal member was elected by a majority in his riding and he is respected as such.

Recently, in my constituency, without my knowing it and without anybody being aware of it except those who imparted the information to me, the Post Office Department issued a tender call for repairs to or repainting of mail boxes. The Liberal candidate in the last election, Mr. Stephen Cuddihy, received tender forms, met a painting contractor and asked him to tender for those repairs saying:

"You have two employees working for you, make them each send a tender a little higher than yours in order to obtain the job for yourself." Take good note of that. The Liberal candidate who lost by 11,000 votes at the last election is the one going around with tender blanks. Note that those tender forms concerning that job were never posted in the Noranda post office nor advertised in the papers.

Well, the man in question makes his tender. I have a copy here and the copy, like the original, was prepared at the Noranda post office by the postmaster, Mr. Langlois. Now, those tenders never reached Ottawa or North Bay. They seem to have remained in the Noranda post office. But the funniest part is that the next day—note that the tenders were called on July 25, while the date limit was August 7, 1963—the same Mr. Cuddihy goes to another Rouyn garage, the Thibault Garage Limited, hands over three other tender forms to the Liberal organizer, Mr. Georges Thibault, who is treasurer of the Liberal party in Villeneuve riding, and tells him: "Prepare a tender and find two fellows in the garage who will turn in a tender higher than yours, so that you will get the contract." Imagine that. No patronage. It does not matter.

Then I wrote to the post office deputy minister in Ottawa asking him the names of those who had tendered to repair mail boxes in Noranda and he answered on September 20, 1963:

> Receipt is acknowledged of your letter of September 23 concerning the repairing and painting of 16 relay cabinets in Rouyn-Noranda.
>
> We received the three following tenders:
>
> Mr. George Thibault, 25 Mgr Rhéaume street west, Rouyn, $352.
>
> Mr. J.-H. Thibault—

He is Georges' brother, and the owner of the garage where Georges is employed. As you see, it is quite complete. I go on:

> Mr. J.-H. Thibault, 33 Gamble street west, Rouyn, $384.

An hon. Member: It is a family compact.

Mr. Caouette: Third tender—because three were required—

> Mr. Marcel Pepin.

He is the sales manager at the Thibault garage—

Mr. Pigeon: Any relation to the minister?

Mr. Caouette: They may be second cousins.

Mr. Chairman, the suggestions of the defeated Liberal candidate are then followed. Four hundred dollars for Marcel Pepin, $384 for J. H. Thibault and $350 for Georges Thibault. The three are employed in the same garage.

But that is not all. He tells him: "Prepare your tender, and you are sure to get the contract if yours is lower than the others."

The deputy minister wrote me at the time:

> Considering the average price asked throughout Canada for that kind of work, it should be possible to have those boxes repaired and painted for about $200, which, as you will realize, is considerably less than the lowest tender we received.
>
> In view of the foregoing, we intend to call again for public tenders—

The letter upset things to a certain extent at the time.

There was the intention of calling for tenders again to find a contractor who would do the job at a more reasonable price.

The three other tenders did not reach Ottawa, because the deputy postmaster general gave me the list of all tenderers, and there are three of them.

Are you aware that after the 1958 election, a Conservative candidate in that district was sentenced to 24 months, I think, for having played around with the government funds in that way.

Mr. Chairman, I maintain that it is plainly dishonest when a Liberal candidate, or whoever it may be, goes with three tender blanks to the owners of one company and suggests a price increase so that they may obtain the contract. This should be condemned and if the postmaster at Noranda is in coalition with the Liberal candidate in this case, I would ask the Postmaster General to have that representative or the postmaster of Noranda sacked. We shall not tolerate such patronage.

A Conservative member purged a prison sentence two, three or four years ago for an offence which may have been more serious, but not very much. And a fellow gets five days for making $115 on a federal government contract. We, in this house, are administering funds belonging to the public, which should be kept in mind.

You know that those three men from the same garage are not in the painting business—don't ask Marcel Pepin to paint mail boxes, because he never saw a paint brush in his life. To ask a gas station manager to paint mail boxes is silly. One should rather ask professional painters. There are complaints about unemployment in that field, more particularly in this season. Those contracts should therefore be given to professional house painters, whether they be Liberal, Conservative, Social Credit or N.D.P. for all I care.

We are not here to serve a party, but the people as a whole.

So I called the Noranda postmaster and asked him: "How many tenders did you receive?" "Three," he told me. "Do you know

who sent them?"—"Yes."—"Did you get any others?"—"No."—"You did not receive any other tenders?"—"No."

Two hours later, a copy of Mr. Henri Trepanier's tender, for the sum of $305, reached us. He had not received any reply to his tender. Then I was told at the post office: "It is not my fault. I sent it to North Bay."—"Who is the postmaster in North Bay?"—"Mr. Aurele Filiatreault."

So I wrote Mr. Aurele Filiatreault, in North Bay, to find out what the feeling was about those tenders. And here is what I told him:

Sir,

Would you be kind enough to let me know how you proceed to call for public tenders in the case of mail boxes in your district?

Is it normal and decent to give the tender blanks to the Liberal candidate, S. Cuddihy, defeated by more than 11,000 votes last April? Is it normal and decent that the said Mr. Cuddihy should deliver those blanks to three persons connected with Garage Thibault Ltee of Rouyn.

Are you supposed to play political patronage with tax money paid by everybody?

In case you are not aware of the fact, I wish to inform you that I am the member for Villeneuve.

And no one in this house can doubt it.

And that as such, I shall not tolerate to see persons rejected by the people practising patronage. I have nothing against calls for tender being public, displayed in post offices and advertised in the papers. But I strongly object to any dealings going on behind my back, to such an extent that I shall raise the matter in the House of Commons for the sake of democratic principles.

In addition to these three tenders by Garage Thibault Inc., a regular painter submitted a tender in Noranda which was not forwarded to the department. I should like to know who.

Sincerely your,

Real Caouette, M.P.

Two days later I got the following letter:

Dear Mr. Caouette,

I refer to your letter of September 25 with regard to the procedure being followed for the repair of mail boxes.

The repair program is under the direct supervision of the Post Office Department headquarters in Ottawa, through the district office and the local postmaster.

Does this mean that those who deal in patronage are the officials of the department headquarters. Nobody knows.

I am therefore taking the liberty of handing over your letter to the headquarters from which you will receive the requested information.

I am waiting for that information from headquarters to see who is meddling with the affairs of the Post Office Department in Canada, at least in Villeneuve county.

Mr. Chairman, the postmaster of Noranda is a perfect gentleman. Mr. Filiatreault's letter indicates that it is the Ottawa office which give orders, but I would be rather inclined to believe that the matter is arranged between Noranda and Ottawa, namely Ottawa and the Liberal candidate and his treasurer, Mr. Georges Thibault, connected with the Thibault garage.

In any event my investigation goes on in that case and, as I said a while ago, if the postmaster has taken the liberty to go in for political patronage in the constituency of Villeneuve, I ask for his dismissal from the Post Office Department.

Now, let us deal with another matter. Our area is underdeveloped and the government has proposed a solution for all underdeveloped areas in Canada. From what the Prime Minister said yesterday, I conclude that from the economic standpoint all areas in Canada are now underdeveloped, that is in October 1963.

In any event the proposed solution consists in a tax exemption for new industries which settle in our area. Fine solution.

What secondary industries would settle 425 miles from Montreal and Toronto, in the north of the province, when there are not enough people to justify setting up a new industry.

Why not provide for an exemption from direct taxes for the people of that area? They would buy more if their income were higher. The increased demand would bring in new industries.

When the population has doubled in size new industries will be set up. Now, the population is no longer increasing in the district and people are moving north to other places. Some try their luck in the Montreal area, in the eastern townships, in the Quebec district, and in Ontario. Our people are scattered everywhere in the province of Quebec and the western provinces.

It is proposed to give tax exemptions to those new industries. That is like putting a poultice on a wooden leg. It is a worthless solution because, as everybody knows, industry is not interested in paying more for transportation, thereby increasing production costs.

Mr. Chairman, Social Credit has a solution under the present plan. According to mining engineers of our district, if the government were to decide to increase the price of gold by $10 an ounce, there would probably be 30 to 40 new mining concerns in our area. Such companies are basic industries in our region. We have agriculture and lumber but mining is the big thing.

We have mines in Villeneuve, Noranda, Malartic, Cadillac and Rouyn. The possibilities are beyond imagination. The government would just have to raise the price of gold by $10 an ounce for the companies concerned to work those mines. That would increase employment to an unprecedented level. Population would probably double in northwestern Quebec. At that point, secondary or ordinary industries might think it worth

their while to open plants there, because we would have a population and incomes large enough to set the wheels turning. That would be one way to bring about some improvement and a means to pull our district out of its economic stagnation.

Mr. Chairman, the other possible solution has been rejected by the Conservative government. By increasing personal income we would have been able to act, not upon Canadian consumption, but upon Canadian production. It is indeed futile to expect people to buy products when they have no money to do it.

Of course, some industrial sectors would close down. Throughout the length and breadth of Canada we see industries which are at the same economic level as the plants at Noranda. Naturally, the people concerned would like nothing better than to step up production, but what would be the point if nobody were able to buy?

And then you hear about planning. In fact, throughout the country, planners say: Production must be planned, Canadian economy must be planned. And yet, producers do not need the government to tell them to produce.

The government has never accomplished anything alone. It is private enterprise which has made Canada what it is today. Why wish to punish private enterprise now? To meet the needs of government, those of socialism and even communism are trying to permeate everywhere in our country, in the western world and throughout the world.

Mr. Chairman, we have production. Producers do not refuse to produce. Moreover, when they have money in their pockets or in the bank, consumers do not need the government to tell them what to do and what not to do. They do not need the government either to tell them what they should buy and what they should not buy. As a matter of fact, it is at that time that the consumer, the individual, the human being really fulfils himself. We also find that a human being enjoys freedom and security when he can choose what he wants with his purchasing power.

It seems that the government has always caused trouble for consumers and producers, both throughout the country and in every province individually.

Mr. Chairman, Social Crediters have a solution. The first is the monetary reform. In fact, everybody knows that this is the most important question. But they cast it aside in order to deal instead with private enterprise. As governments tried to do in the past, they stir up consumers against producers. On the other hand, they refuse to deal with the monetary problem. They say to themselves: Let us forget about that, we cannot concern ourselves with that.

Let us now see what happens here. At a time when we should be considering the bill providing for an increase in old age pensions we are asked to consider interim supply so as to delay somewhat the examination of the old age pension bill. Later on, when we examine interim supply, we will be accused of having delayed the adoption of the bill to increase old age pensions.

Now, what was to stop the government from introducing that bill this afternoon—and it would probably have been adopted today—to enable treasury board officials to pay the increase to old age pensioners throughout Canada.

But no, they are trying to play politics and later on they will accuse us of delaying the adoption of the bill.

Mr. Chairman, our purpose in taking part in the debate on interim supply is not to delay the increase in old age pensions but to express our views on urgent questions, and especially on monetary reform in Canada.

I know that both Liberals and Conservatives find that funny. They imagine that Social Credit advocates the use of a money printing press.

Well, that is not what Social Credit is; that has never been its policy and our opponents know it.

Gentlemen of the Liberal party, you repeated such things during the election campaign but you knew that you were not telling the truth to the people. We know that and the people are more and more aware of it.

I said yesterday that during the election campaign all members of the Liberal party were discrediting Social Credit throughout the country, saying that it was a hoax. They said that Social Credit had existed in Germany and that it had proven to be a complete failure. And they were also saying: give us a stable Liberal administration in Ottawa and you will not get any tax increases while your pensions and your family allowances will be increased. In fact, not a single Liberal candidate mentioned tax increases during the election campaign.

Yet, once they were elected to power, the first thing the Liberals did was to raise taxes.

We know that in his first budget speech, the Minister of Finance (Mr. Gordon) suggested a 30 per cent tax on foreign capital. American interests compelled him eventually to abolish that tax, and then the American government lost no time in levying a 15 per cent tax on American investments in Canada. United States citizens grow wealthy on our natural resources, they batten on our toil and

our sweat. We know also that American interests were responsible for the Liberal victory in Ottawa.

Mr. Chairman, Social Crediters have a solution. Instead of listening to financial interests and of deriding us, the government would be well-inspired to lend an ear to the voice of the people, who demand just and equitable laws.

We should listen to the voice of our electors, of the entrepreneurs in our country, of the true builders of Canada, because they are the ones who need us to ensure the economic progress of our country, to create employment of course and to build a prosperous Canada, free from American finance and able to govern itself with its own finance and through the Bank of Canada. In my opinion, it is only if we create such a situation that we will have results.

Mr. Chairman, I said, not only in Quebec but all across Canada: you want to rebuild the Canadian economy? You have no solution, no way to create employment. I said also that we should try an experiment and see the results two years from now, because the results would not be any longer in coming.

I suggested the distribution of $100 to each Canadian citizen, credit based on the wealth of Canada, not extravagance, not an unlimited allowance. I suggested to the people that we should try that.

A family of ten would have received $1,000, a family of five $500, a single person $100. That way we would have put into circulation in Canada a sum of $1,800 million. This would have enabled 80 per cent of the citizens at present involved with the finance companies to pay their debts. This would also have enabled us to sell our produce which is only waiting for buyers at the present time, as it would have enabled us to give industry a new start and to create jobs. Shopkeepers and wholesalers could have increased their staff.

And instead of having his plant in operation only three days a week, the owner could have had it running five days. Then you would be really fighting unemployment efficiently by putting more buying power into the hands of the consumer.

Mr. Chairman, there you have an experiment that should be tried. But some people just will not accept the things Social Credit is asking for. All we ask is Canadian credit based on Canadian wealth. We are not asking for credit based on nothing—

An hon. Member: It is not worse than the $500 grant.

Mr. Caouette: It would be along the line of the $500 grant proposed by the hon. Minister of Finance to assist those who will be building homes during the winter. On the other hand, everybody knows that in our area it costs $500 more to build in winter. So those $500 would not be of much use.

Mr. Chairman, we must increase the income of the Canadian citizens and more particularly family allowances. On the other hand, they should not be increased only by a dollar, as the Liberals did some 10 years ago. Family allowances should be raised in proportion to the cost of living index. This would be a lot fairer. As it is recognized that the cost of living increased considerably since 1945, let us raise family allowances proportionally.

Let us give also a national dividend to everybody, and poverty among abundance will vanish.

What solutions did they bring in the United States? One could read recently in the newspapers that President Kennedy suggested a reduction in personal income tax in order to increase the people's buying power. In doing so, the government actually loses nothing, because indirect taxes are included in the price of goods. Now, if the consumer spends more the government receives almost as much. The consumer stirs the products and activates the economy of the country.

It is also the means we suggest. Let the government reduce the taxes, and so increase the purchasing power of the consumer, of the human being, and then the consumer shall buy more. With increasing purchases the government will collect indirect taxes which are included in the price of goods, and it will not be deprived of any source of income. Moreover, the producers will be satisfied to sell their products to the consumers in the country.

Mr. Chairman, before resuming my seat, let me say that I hope we will act according to the mandate under which we were elected.

Some hon. Members: Hear, hear.

Mr. Caouette: I hear some members applauding. Let me say to them that in view of the system and the government they are putting up with at the present time, they will not win applause from their electors, and that will happen soon.

Mr. Chairman, I wish no evil to my colleagues, but I feel that we should act directly according to the physical possibilities which exist in Canada today. Only then will we have served truly our country and our fellow-citizens, consumers or producers, all those who work for the good of our country and the growth of our economy, thus enabling Canada to hold its own against any country in the world.

[*Text*]

Mr. Douglas: Mr. Chairman, I am availing myself of the first opportunity which has presented itself since parliament reassembled to register a protest against the action of the government in entering into an agreement with the United States for the acceptance of nuclear weapons for Canadian forces without submitting this agreement to parliament. Indeed, the government has gone much further and has refused to allow parliament to see the agreement upon which this commitment is based. The only document we have which tells us anything about this agreement is the official communique issued by the Prime Minister's office, and therefore I think I should place it on the record since it is, as I say, the only document we have giving us any information at all. It is dated August 16, 1963 and says:

> The Right Hon. L. B. Pearson, Prime Minister, announced today that as a result of negotiations begun three years ago and resumed by the present Canadian government after taking office the Canadian and United States governments have reached agreement on the conditions under which nuclear warheads will be made available for Canadian forces engaged in North American defence and assigned to NATO. The weapons systems affected are the "Bomarc B", the Voodoo interceptor, the Honest John artillery rocket and the CF-104 Starfighter strike-reconnaissance aircraft.
>
> In accordance with the requirements of national security and with NATO practice, details will not be published. The arrangements relating to custody and control satisfactorily protect Canada's national interest and conform with the position Canada has taken internationally on the non-dissemination of nuclear weapons.
>
> When the stockpiles are established the warheads will remain in United States custody, and for this purpose small units of United States custodial personnel will be stationed at the Canadian storage sites at bases which will, of course, remain under Canadian command and control. With custody remaining with the United States the arrangement does not add to the numbers of governments having nuclear weapons at their independent disposal. It is also to be noted that provision is made for the application at all times of the most stringent safety measures. Finally, these nuclear warheads cannot be used operationally without the authorization of the Canadian government. Joint control is thus assured.

Now, Mr. Chairman, I want to make two points with reference to this statement. The first is that the Canadian government has no right under our parliamentary democratic system to make commitments on behalf of the Canadian people without the approval of parliament. The Prime Minister's statement last Monday, September 30, to the effect that this is an agreement and not a treaty is to my mind sheer subterfuge.

This agreement between Canada and the United States does three things. First, it commits Canada to accept nuclear warheads from the United States. Second, it requires Canada to station United States military personnel on Canadian soil, and third, it involves a partial surrender of our national sovereignty under conditions of which we, the members of parliament, have no knowledge. We in this party insist that control of all commitments being vested in parliament is a basic tenet of our democratic process. This has long been established in Canada and one would have taken it for granted.

I refer to a statement which was made by the Right Hon. William Lyon Mackenzie King when he was Prime Minister in 1928. This is what he said:

> The day has passed when any government or executive should feel that they should take it upon themselves, without the approval of parliament, to commit a country to obligations involving any considerable financial outlays or active undertakings.
>
> In all cases where obligations of such a character are being assumed internationally, parliament itself should be assured of having the full right of approving what is done before binding commitments are made. I would not confine parliamentary approval only to those matters which involve military sanctions and the like. I feel that parliamentary approval should apply where there are involved matters of large expenditure or political considerations of a far reaching character.

I quote from a little book called "Diplomacy in the Nuclear Age" written by one L. B. Pearson. At page 43 the Prime Minister of Canada says this:

> No democratic state—as I have already said—can or should countenance commitments secretly entered into, or adopt policies or make engagements without the people knowing about them and the legislature passing on them.

I want to draw the attention of the committee to the fact that there is no word here about treaty. It says that they should not—

> —adopt policies or make engagements without the people knowing about them and the legislature passing on them.

May I now refer to another well-known volume called "The Liberal Way" written by J. W. Pickersgill, with a foreword written to it by the Prime Minister in April 1962. On page 133—

Mr. Pickersgill: I wonder whether I could interrupt the hon. gentleman. I do not think he gave the correct title of that book.

Mr. Douglas: "The Liberal Party".

Mr. Pickersgill: I thought the hon. gentleman said "The Liberal Way".

Mr. Douglas: I am sorry. I meant "The Liberal Party".

Mr. Knowles: There is quite a difference.

Mr. Douglas: Yes. It has turned out to be the Liberal give-away.

Mr. Pickersgill: Oh, no, it was sold.

Mr. Douglas: Well, the Liberal party has given itself away so palpably that it might well be called a Liberal give-away.

Then, on page 133, it says:

> The Liberal party believes that Canada can make a more appropriate and effective contribution to the joint defence of this continent and to the military alliance of the free world by strengthening the so-called conventional armaments of the Canadian forces than by seeking to become a very junior nuclear power with a limited supply of nuclear weapons which, in present circumstances, could not be under Canadian custody.

That is precisely what we are doing. We are becoming a junior partner in a nuclear complex with nuclear arms stationed on our soil, arms over which we do not have complete custody. I say it is sheer subterfuge for the Prime Minister or for any minister of the government to maintain that they do not need the consent of parliament and are not required to place before parliament the details of this agreement on security grounds. I draw the attention of the committee to the fact that the Polaris sales agreement between Great Britain and the United States signed on April 6, 1963, has been tabled in the United Kingdom house of commons. This agreement providing for the purchase of Polaris missiles by the United Kingdom government has been made completely public in a document which covers some 11 pages of fine print. In making this information available, the United Kingdom government did as one would expect a democratic government to do, namely to make all the facts available to members of parliament and allow them to express their opinions on the matter. I say that the action of this government in refusing to submit this agreement to parliament and in refusing to allow parliament to even see the agreement is an affront to this parliament, and an attempt to commit the Canadian people to a course of action without having secured the approval of their elected representatives.

Even worse is the fact that they insist that the agreement be treated as a security document. The elected representatives of the people sitting in this chamber do not even know the terms and conditions upon which these warheads have been received. We do not know what machinery has been set up for determining their use. Will a final decision to use these nuclear weapons rest with the commander in the field? In the case of NATO, will it rest with the commander of the NATO forces, or will the use of these nuclear weapons require the joint consent of the Prime Minister of Canada and the President of the United States? We do not know. We are simply told that this is a secret agreement which has been entered into by the government of Canada—an agreement which may have far reaching and serious implications for the people of Canada—but that their members of parliament are not to be allowed to know anything about it or to express any opinion concerning it.

The Liberal party has always talked loudly about its devotion to the supremacy of parliament. Well, that claim has a very hollow sound now. Just a little over a year ago, Liberal members, many of whom are now sitting across the way, made a great deal of noise about the Conservative administration levying import duties without referring the matter to parliament. We agreed with their criticism. We thought the imposition of these import duties should have been referred to parliament. But, surely, the signing of an agreement providing for the acquisition of nuclear warheads has far more serious implications for the people of Canada than did the import duties measure. For any party which professes, as the Liberal party does, to believe in the supremacy of parliament and control by parliament, to take the action they have taken in signing this agreement without reference to parliament, and refusing to let parliament see the agreement, is to be guilty of conduct contrary to the basic tenets of parliamentary democracy.

The second point I wish to make is that this agreement has been signed at a time when the whole international situation has changed and when defence requirements have radically altered. It is now apparent that the two great nuclear powers, the United States and the Soviet union, have reached a stalemate. The test ban treaty was the first step in reaching a rapprochement with regard to nuclear weapons. We are in the course of entering upon a phase of defence strategy which has already passed. Defence secretary McNamara made it clear what a relatively unimportant part nuclear warheads on Bomarc missiles play in the present world situation when he appeared before a congressional committee, as reported in the Toronto *Star* of March 29, in which the following story appears under a Washington dateline:

> Defence secretary McNamara says one of the uses of Bomarc anti-aircraft weapons is to draw enemy ballistic missile fire in the event of war. But he agrees that the Bomarc has turned out to be "a very expensive target" for this purpose.
>
> He said he would remove the Bomarcs altogether but for the fact that the annual maintenance costs are no more than $20 million and "I think we are getting our money's worth."

The article goes on:

> "If there were any real amount of money to be saved, I would propose taking them out," he told the congressional appropriations committee in closed-door hearings.

The story then continues:

> Rep. David Flood (D., Penna.) suggested that if the Bomarcs are pulled out, "we have stuck the Canadians for a whole mess of them and we have another problem on our border."

The fact is that the nuclear warheads which the government is now proceeding to acquire belong to a phase of military activity which is past. We have entered upon a new situation and military men are beginning to recognize this.

In this morning's *Globe and Mail* there is a report of a speech made by General Macklin. His views are reported as follows:

> Canada is throwing away billions of dollars on an ineffective, unco-ordinated defence system, a former adjutant-general of the Canadian Army said yesterday.
>
> Speaking at a luncheon meeting of the Optimist club of Toronto, Maj.-Gen. W. H. S. Macklin suggested unification of the three services and development of a fully-equipped mobile force capable of being moved anywhere at speed.

Later in the report it says:

> He suggested the air force should be equipped with transport to move the force, and that there should be tactical aircraft to help the army.

As a matter of fact, there are indications that the Minister of National Defence and some of this advisers are slowly coming around to a new concept of Canada's military role. It is certainly about time, because we have never clearly defined our military role, and for Canada to talk about having a nuclear role in the world of giants, when the two great nuclear powers already have stockpiled sufficient nuclear arms to destroy the human race ten times over, is sheer nonsense. Our role is a role, as military experts are now coming to recognize, of supplying a mobile, highly trained airborne army to provide service either under NATO or as part of a police force for the United Nations. The Toronto *Star* of Wednesday, September 4 last carried this news item:

> A new defence policy based on a small, mobile and airborne army with tactical air support is beginning to take shape, informed sources say.
>
> Object is to create a conventional multipurpose force which could serve the North Atlantic alliance or the United Nations. This will mean eventual integration of the armed forces into a single service, long an idea of Prime Minister Lester Pearson.

It goes on in the latter part of the article to say:

> Canada is expected to drop its jet interception role but maintain its detection and warning systems in North America and the North Atlantic in co-operation with the United States.
>
> The background to the emerging defence policy is the nuclear stalemate. Authorities here say the nuclear missile forces of United States and Russia are invulnerable to the extent that neither could knock out the other at the first blow. Thus neither would dare to attack the other.
>
> In these circumstances, officials see no meaningful nuclear role for Canada once the Voodoo jet interceptor and Bomarc anti-aircraft missile have served their time—another two or three years.

I think it is pretty apparent that the government, for some reason best known to itself, is entering into a military agreement which might have made some sense in the 1950's but which has no meaning at all in the 1960's. They are under the impression that the previous government three years ago made certain commitments. I have no desire to get into the argument whether commitments were or were not made. Let us at least give the present government credit that they think certain commitments were made. But surely it is the height of stupidity to continue to make agreements on the basis of commitments which were given when circumstances were entirely different from what they are today. The international situation has changed. Canada's defence role in the world has changed. Yet here is the government entering into an agreement which is a sheer waste of money and which will involve Canada in the expenditure of millions of dollars which could be better used.

Mr. Pugh: Would the hon. gentleman permit a question?

Mr. Douglas: Yes.

Mr. Pugh: With regard to our having an agreement, was the hon. gentleman's view the same in January of this year?

Mr. Douglas: I am not sure what my friend is asking. My view has not changed since January.

Mr. Pugh: The hon. member has just finished saying that one should remain flexible in government as well, and that a person has a right to change his mind and also the government. Were you of that view in January of this year?

Mr. Douglas: I think that is the most muddleheaded question I have ever heard asked.

Mr. Pugh: Well, I am asking it.

Mr. Douglas: If my hon. friend wants to make a speech he can make one. There will be lots of time to take part in the debate. We will be very glad to hear what his views are on this question. Certainly anybody ought to have flexible views. I am simply saying that if the government feels that the previous administration made commitments under given circumstances this does not excuse them now continuing these commitments and entering into an agreement when circumstances have entirely changed. The international situation has changed. There is a thaw in the cold war. We now have a nuclear stalemate. Canada's defence role has completely altered, as all military experts now seem to be agreed, and at this time it is a sheer waste of money and the essence of stupidity to spend

hundreds of millions of dollars preparing Canada for a nuclear role when there is no possibility at all of her being called upon to fill a nuclear role.

Therefore I want to conclude by urging the government to reconsider this matter and to submit the agreement regarding nuclear weapons to the parliament of Canada for its serious consideration. I also ask that they revise their defence policy in the light of changed circumstances so that it will fit in with the most effective role that Canada can play for the preservation of world peace.

Mr. Martin (Essex East): Mr. Chairman, we have listened to a moderate speech by the leader of the party sitting close to the gangway. Because of some of the observations he has made it is important that we should set aright the procedural situation with regard to this matter. My hon. friend speaks as though the government had just announced a policy which it was preventing parliament from discussing, or in connection with which parliament had been denied the opportunity of expressing its views.

First of all, the hon. gentleman said that the government refused parliament the right to see the agreement which was signed with the United States on the 16th of August last. I am sure that on reflection my hon. friend will agree that is not the situation. The government has not refused parliament the right to see this agreement. Parliament yesterday decided that it was not—

Some hon. Members: Oh, oh.

Mr. Martin (Essex East): —in the interests of the security of this nation or the security of the NATO alliance—

An hon. Member: Of the Liberal party.

Mr. Martin (Essex East): —that an exchange of notes of this nature should be made public at this particular juncture. That was the decision of parliament yesterday based on a motion introduced by the right hon. gentleman who leads the official opposition.

Mr. Churchill: How did you vote on it?

Mr. Martin (Essex East): What the government did yesterday is precisely what the Leader of the Opposition said was the right course to adopt when he was prime minister. The present Leader of the Opposition said in the house on February 20, 1959, as found on page 1223 of *Hansard*:

> We are confident that we shall be able to reach formal agreement with the United States on appropriate means to serve the common objective. It will of course be some time before these weapons will be available for use by Canadian forces.

Then the Leader of the Opposition went on to say:

> [Mr. Douglas.]
>
> The government, as soon as it is in a position to do so, will inform the house, within the limits of security, of the general terms of understanding which are reached between the two governments on this subject.

That is precisely what this government has done.

Mr. Diefenbaker: Not at all.

Mr. Martin (Essex East): The right hon. gentleman says "not at all". We will see if that is not the case. On the 16th of August the Prime Minister of Canada announced that an agreement had been concluded with the United States in this matter and, in the terms referred to by the present Leader of the Opposition, the Prime Minister gave what information was consistent with security.

Mr. Douglas: What general terms did he use?

Mr. Martin (Essex East): My hon. friend has read the release. Those were the general terms. Those were the very terms underlined by the former prime minister in limitation on the information which, in the interests of security, could be given to the nation. It is not a case of the government of the right hon. gentleman, or of this government or any other Canadian government not trusting the membership of this house or the people of this country. There are others, however, who would be very interested in knowing the terms of this agreement.

I may say to the right hon. gentleman, knowing something of the role he played as prime minister in certain negotiations with the United States, I found it a little difficult to understand how he, in the light of his experience and position could have urged this house to persuade the government to produce the documents which he himself said on February 20, 1959, could not fully be produced because of the limitations imposed by security.

Mr. Diefenbaker: May I ask the hon. gentleman this? Did he read the question the day before yesterday when I asked the Prime Minister whether he would bring before the house those portions that would not violate security, and he said no. I can only conclude, as I am sure he would conclude, that the selectivity was based on the political security of the government.

Mr. Martin (Essex East): In a matter of this importance, I do not propose to engage in an emotional debate with my right hon. friend. I say to him, as a former prime minister of this country, that he knows quite well that to give a portion of some document would amount to production of the entire document in this particular case.

Mr. Diefenbaker: Not at all.

Mr. Martin (Essex East): My friend says, "not at all". I ask him to recall his part, and that of the former government in negotiations, to examine the agreements that came before him and his colleagues, and to conclude, as I am sure he will, that the statement he has just now made is one that cannot and could not under any circumstances, in the interests of our security, be justified.

Mr. Diefenbaker: I do not agree with that at all.

Mr. Martin (Essex East): My hon. friend says this government has secured an agreement with the United States in a matter of great importance without giving this house the right to pass upon the government's policy. Let us examine the facts in this regard. In the month of January last, the Prime Minister, then leader of the opposition, in a speech in Toronto announced the policy of the Liberal party in regard to the proposal to enter into an agreement with the government of the United States for the storage in Canada of nuclear warheads for the use of Canadian forces in respect of certain weapons systems which would be valueless without the nuclear warheads. This was an announcement of policy and there was nothing secret about it.

Then, the government came into office on April 22. Shortly thereafter in this house, in the debate on the address in reply to the speech from the throne, the Prime Minister announced the government's policy. I want to read what he said. His words are to be found in *Hansard*, page 65, for May 20, 1963.

> I can also state that regarding the obligation to discharge certain commitments for the common defence undertaken by the previous governments, the commitments to carry out certain roles which cannot be carried out effectively, as the right hon. gentleman has so often pointed out, without the use of nuclear ammunition for the warheads and weapons required for the role, in order to discharge these commitments we have entered into negotiations with the United States, taking up where the right hon. gentleman and his colleagues left off some time ago. We have begun these negotiations for a bilateral agreement between our two countries, without which no technical agreement can be made, for the joint control of nuclear warheads. The bilateral political negotiations to this end which were carried on for such a long time by the previous government have been resumed. They will cover defensive nuclear weapons systems for Canada, as well as other matters which have been the subject of previous discussions with the United States including, of course, the role of the air division and the use of the Honest John weapon with our forces attached to NATO in Europe.

This was a statement by the Prime Minister of Canada in the first speech he made in the first debate in this house after the present government was elected to office. It was in that very debate that my hon. friend moved the following amendment, as recorded on page 85 of *Hansard* for May 21, 1963:

> We regret that Your Excellency's advisers have indicated their intention of acquiring nuclear arms for Canadian forces, thereby lessening the chances for nuclear disarmament and increasing the danger of nuclear war.

My hon. friend took issue, as he had a right to do, and he did it with dignity and force. He took issue with the government's policy as announced by the Prime Minister. There was a vote on that amendment in this house and that vote sustained the position of the government. Therefore, when my hon. friend says that this parliament has had no opportunity of expressing its view on the decision of the government to enter into an arrangement with the United States concerning the storage of nuclear warheads in Canada for use by Canadian forces, he has overlooked what we decided in this house in the month of May last.

Mr. Douglas: I rise on a point of order, Mr. Chairman. If the hon. gentleman will look at my words he will see I did not say that the government had acted without parliament discussing the question. I said that they had acted without parliament having had any opportunity to express its opinion on this agreement.

Mr. Martin (Essex East): Well, that kind of refinement, I am sure, will not really be taken seriously by the hon. gentleman or by other hon. members in this house. The policy is now embodied in the agreement, and we say that in the interests of security that agreement cannot be tabled in this house. It cannot be tabled in the parliament of any NATO country, for the reason I have mentioned, for the reason the right hon. gentleman himself mentioned in 1959, namely, security.

Mr. Diefenbaker: That is misconstruing what I said.

The Chairman: Order, it being five o'clock I am sorry to interrupt the hon. member but it is my duty to leave the chair in order that the house may proceed to private members' business pursuant to section 3 of standing order 15.

PRIVATE BILLS

ALLSTATE LIFE INSURANCE COMPANY OF CANADA

The house resumed from Tuesday, October 1, consideration of the motion of Mr. Ryan for the second reading of Bill No. S-28, to incorporate Allstate Life Insurance Company of Canada.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, since this bill seems to be a repeating one, brought forward every week during the hour reserved for private members' business, we realize here perhaps more than anywhere else that strangers need only have money to take over the Canadian economy. We will not stop repeating it here in this house until all hon. members present, representing all the Canadian people, are convinced that the company must have at least 25 per cent Canadian capital to operate in our country; otherwise, we have not even made the first step toward the repatriation of our economy. We have opposed this bill and we will oppose it again if we are not satisfied with its terms and conditions.

We agree to let this bill be referred to the committee on banking and commerce to know all the details and all the amendments they say they want to make. Let the authorities of that company be assured that our group will be watching for this bill on third reading and that if we are not satisfied with the proposed amendments, we pledge to reject it.

We think it is time this government should take its responsibilities. It is time you learn that you are here not only to tax, but to protect our Canadian institutions and the public generally.

We have had enough of the old parties making this parliament a mere taxing-machine allowing foreigners to become rich at our expense.

During the debate before third reading, Canadians will be able to judge between those who are protecting finance and those who are doing the duties for which the citizens have elected them.

I do not want to delay the study of this bill any further. We will give Allstate corporation an opportunity to become Canadian by allowing them to explain themselves. I also invite before this committee those who vilified our great French Canadians on television.

Concerning this bill, I think that, after a serious and extensive study, we will be able to make a decision once and for all on the life and death of such a company.

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, being one of those—

[*Text*]

Mr. Speaker: Order. To begin with, I must ask whether the hon. member has already spoken during this debate. The record available to the chairman shows that the hon. member had the floor during this debate on July 25 last. Therefore, he cannot speak a second time.

[The Chairman.]

Motion agreed to, bill read the second time and referred to the standing committee on banking and commerce.

SWEEPSTAKES

LEGISLATION TO AUTHORIZE PROVINCIAL SWEEPSTAKES FOR HOSPITALS AND UNIVERSITIES

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm) moved the second reading of Bill No. C-21, with respect to hospitals and university sweepstakes.

[*Translation*]

He said: Mr. Speaker, let me begin by saying that it is with regret that we learned about the resignation of the hon. member for Hull (Mr. Caron) as whip. We knew the hon. member had very heavy responsibilities since he is also parliamentary secretary to the Prime Minister and, as his colleagues say, he has done an excellent job.

May I also say how happy I am to see that the hon. member for York Centre (Mr. Walker) has been named to replace the hon. member for Hull and to congratulate the hon. member for St. James (Mr. Rinfret), who will act as deputy whip. To both of them, my best wishes.

Mr. Speaker, I do hope that Bill C-21 will be passed by parliament. I feel it is time the Criminal Code be amended to enable the provinces to have their sweepstakes if they so desire.

At various times, I inquired from the Minister of Justice (Mr. Chevrier) if the government intended to amend the Criminal Code for the benefit of the provinces, at least those who may wish to hold sweepstakes. The minister went a bit off the track in his answers and gave me to understand that it was impossible for the government to amend the Criminal Code and thus allow the provinces to conduct sweepstakes if they wished to do so.

We know on this side of the house and members of the government also know that the premier of the province of Quebec, in his ultimatum to the federal government, asked that the Criminal Code be amended so that the province of Quebec might establish a sweepstake, in view of the fact that the provincial statutes already contained legislation to that effect.

I have been quite surprised, Mr. Speaker, to hear the answer given to me on some occasions by the Minister of Justice since, during the last election campaign, as evidenced in *La Presse* of March 4, 1963,—the hon.

member for Dollard (Mr. Rouleau), as his party's spokesman, said in Malartic the following:

A Liberal government would allow provincial lotteries (Mr. Rouleau)

Malartic—The Liberals are quite prepared to give the provinces absolute freedom in a field which can surely be of importance for many of them: that of provincial lotteries.

Following the election, April 8 next, a Liberal government, said yesterday in the federal parliament, the member for Dollard, Guy Rouleau, lawyer, will amend section 179 of the Criminal Code in order to allow the provinces, which will choose to do so, to set up provincial lotteries.

Speaking in Malartic, following the Liberal convention, the member indicated that the matter of a provincial lottery had been discussed on many occasions, especially in the province of Quebec, during the last few years.

Then, the hon. member proceeded along the same line.

Mr. Speaker, I wonder why the government, at the outset of this session did not announce, even in the speech from the throne, that it would introduce an amendment to the Criminal Code so that the provinces may have lotteries. Since the hon. member for Dollard was his party's spokesman during the last election, this is an official commitment. Either the hon. member for Dollard is not influential in his party, or the party has not fulfilled its election promises. Mind you, —it would not be the only time a promise made by this government would not have been fulfilled, Mr. Speaker. Moreover, the government whose friends are in power in Quebec should please the premier of the province of Quebec, offer him a gift for all the insults and abuses that province has been subjected to from the Minister of Health and Welfare (Miss LaMarsh) on the one hand, the Minister of Northern Affairs and National Resources (Mr. Laing) on the other hand, and even from the Prime Minister, (Mr. Pearson) as they constantly criticize the policy of the Quebec administration. The central government could then correct itself by acting in a positive way, that is in amending the Criminal Code.

Moreover, we shall see, Mr. Speaker, when the 12-month ultimatum has expired, which attitude Mr. Lesage will adopt. I say to the Quebec government: the federal government has already assumed rights, even without requesting the authorization of the provinces, including the province of Quebec. Now, I say that, when the 12-month ultimatum has elapsed, if the federal government has not amended the Criminal Code, the government of the province of Quebec should nevertheless set up lotteries. If Mr. Lesage follows this course of action, he will have the approval of Quebec citizens, in other words, if his ultimatum has not been heeded.

Mr. Speaker, I should not like to be too long. I know that certain members want to speak about this bill, but I wish it would be adopted.

There is at the present time—the Postmaster General (Mr. Denis) knows something about it—a black market of lottery tickets. I would not be surprised if all members in this house have or once had lottery tickets in their pocketbook.

Mr. Rouleau: Do you have some yourself?

Mr. Pigeon: I have had, and when I have the opportunity to buy some, I do. I say this most sincerely, because I am not going to lie in this house. I know that the hon. member for Dollard, in view of the speech he made in Malartic during the last election campaign, has bought some tickets, I am sure, and he probably has some on him now.

Mr. Rouleau: Mr. Speaker, I will not permit such a statement without taking issue with it. I do not have any lottery tickets with me and I never bought any, because that is illegal.

Mr. Pigeon: Mr. Speaker, have you noticed that humility.

An hon. Member: He is a Puritan.

Mr. Pigeon: Look at the shocked maid. In any case, Mr. Speaker, I hope that the government will allow the passing of this bill which is absolutely logical. The country has to withstand at present an outflow of several million dollars, which are going abroad. I hope that this bill will be approved so that the provinces who wish to initiate the sweepstakes they have in mind will be able to do so.

Should the federal government object—I repeat—should it refuse to amend the Criminal Code, I advise the provinces who wish to have sweepstakes to set them up just the same, for it would be illogical and ridiculous to do otherwise.

The state of New Hampshire is presently setting up sweepstakes in its own territory—

An hon. Member: I protest.

Mr. Pigeon: You are protesting?

An hon. Member: We'll all become protestants.

Mr. Pigeon: In any case, Mr. Speaker, I know that the government will be consistent and that it will keep the election promise made by the hon. member for Dollard and that once Bill C-21 is passed, the Criminal Code will at last be amended.

Mr. Guy Rouleau (Dollard): Mr. Speaker, I am very grateful to the hon. member for

Joliette-L'Assomption-Montcalm (Mr. Pigeon) for giving me the opportunity to speak about this question.

We all know him. The hon. member for Joliette-L'Assomption-Montcalm, as usual, thinks he is Don Quixote and tilts at windmills. In his premise, he said that the present government had insulted, through his Prime Minister and through cabinet members, the premier and the cabinet members of the province of Quebec.

Well, Mr. Speaker, I deny any such an assertion, for the present government wishes to co-operate with the governments of all provinces in the interest of the people of every province of this country. And the province of Quebec, if I am not mistaken, is part of the Canadian confederation.

It is true, Mr. Speaker, that during the last election campaign I, for one, recommended an amendment to our Criminal Code, in order to allow the provinces, if willing, to create a provincial lottery. If the hon. member for Joliette-L'Assomption-Montcalm had read, from beginning to end, the newspaper dispatch which he has mentioned and which was published by *La Presse*, on March 5, 1953, he would have seen that—

Mr. Pigeon: 1963.

Mr. Rouleau: I am sorry, I mean 1963—he would have seen that what I said was:

> The Liberal government, which Mr. Pearson will head after the April 8 election, after it seriously studies the problem, will only give back to the provinces one more of the rights they are entitled to.

In the *Hansard* of June 10, 1963, on pages 845 and 846, we read the answer of the Minister of Justice (Mr. Chevrier) to a question asked by the hon. member for Joliette-L'Assomption-Montcalm who wanted to know whether the government intended to amend the Criminal Code. The minister stated on that occasion: "I am carefully studying the question".

It is quite true, as I said, that during the election campaign, I advocated an amendment to the Criminal Code which would allow the provinces, if they so wished, to have a lottery within their borders. I still think that such an amendment would be a good thing and that all the provinces of confederation should benefit by it.

However, Mr. Speaker, I cannot help thinking that it is rather amusing to see the hon. member for Joliette-L'Assomption-Montcalm submitting such a bill today, while, during the six years the Conservatives were at the helm, he could easily have influenced the then government and persuaded it to amend the Criminal Code in the way he is now suggesting.

We are bound to think that either the hon. member never really attempted to put across his ideas in private talks or that he had no influence whatsoever over the Conservative government.

The hon. member for Joliette-L'Assomption-Montcalm speaks of the influence I could bring to bear on the present government. May I remind him that, in that field, things get done mostly through team-work and co-operation between all members of the house. We know for sure today that the member for Joliette-L'Assomption-Montcalm did not have much power in the Conservative gov ernment.

Indeed, what is, in the field under consideration, the record of the Conservative party which governed our country during six years? The previous government did nothing to amend the Criminal Code so as to enable the provinces to set up their own lotteries.

That is quite understandable when one considers that every single bill that was introduced during the Conservative regime to amend the Criminal Code was talked out not by Liberal members but by government members.

As an example—

Mr. Pigeon: Let the bill pass.

Mr. Rouleau: Wait. I have concrete evidence to support my allegations.

For instance, during the 1960-61 session my hon. friend introduced Bill C-18, but it was remorselessly buried, as reported in *Hansard* of that year. Now, it was not a Liberal member who talked out the bill but a Conservative.

That same year, a similar bill was sponsored by the hon. member for Vancouver-Kingsway (Mr. Brown). That measure was given the six month hoist by none other than the hon. member for Saint John-Albert (Mr. Bell), a Conservative.

In 1962, the former member for Vancouver-Kingsway (Mr. Brown) introduced another amendment to the Criminal Code and once again it was put off by a Conservative, the hon. member for Regina City (Mr. More).

The same year, a similar bill in the name of the hon. member for Calgary South (Mr. Smith) was talked out by the Conservative member for Acadia (Mr. Horner).

In spite of the fact that all those bills were talked out by Conservative members, if the hon. gentleman from Joliette-L'Assomption-Montcalm had had some influence with the government of the day and especially with the then minister of justice, he could have expressed his views to the government and convinced the latter that the Criminal Code should be amended to enable the provinces to set up their own lotteries—

Mr. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, will the hon. member allow me to ask him a question?

Mr. Rouleau: I will be glad to.

Mr. Ricard: Would the hon. member give us the names of the Liberal members who talked out a similar motion before 1957?

Mr. Rouleau: Mr. Speaker, I was just going to assess the Conservative party's record in that respect and give concrete evidence of what was done in that regard under a Conservative government. Knowing that the hon. member for St. Hyacinthe-Bagot is a very talkative man, I am convinced that he will take part in the debate himself. If he wants to criticize the previous Liberal governments, he will have the opportunity to do so.

Mr. Pigeon: Mr. Speaker, I wish to ask the hon. member a brief question.

The hon. member for Dollard seems honest in what he says. Therefore, I ask him, if he is sincere, particularly after the statement he made in Malartic, if he would advise the government to let that bill be adopted, in the interest of the Canadian people and the provinces who want it?

Mr. Rouleau: Mr. Speaker, if the hon. member will let me get on with my remarks, I am convinced he will know quite soon what I am driving at and will get his answer.

I was saying that the hon. member for Joliette-L'Asssomption-Montcalm did not have much influence within the government that was headed by the present Leader of the Opposition (Mr. Diefenbaker).

And I find additional evidence to what I have said a while ago in the remarks of the minister of justice of that time, when questions were directed to him on the matter now before us. In reply to a question put to him by an hon. member on the government side, the minister of justice, as reported in page 1294 of *Hansard* for February 27, 1962, said this:

> Practically speaking, the question of amending the Criminal Code to authorize the organization of lotteries by provincial governments is obviously one which concerns all the provinces. It would therefore be difficult, if not improper, to get in touch with one province only, without consulting the others. We have not consulted them and I am therefore not in a position to make an official statement.

But the minister of justice was still more explicit the following year. In fact, in reply to a similar question directed to him by the hon. member for Port Arthur (Mr. Fisher), he stated, as reported in page 3436 of *Hansard* for February 5, 1963:

> I have had some correspondence with Premier Lesage. In it, of course, I made no attempt to comment on the legality of such operations. Premier Lesage asked if the federal government was prepared to sponsor legislation to legalize lotteries conducted by provinces for revenue purposes. The reply I conveyed to him was that the government does not contemplate the introduction of any bill at the present session to amend the Criminal Code.

Mr. Speaker, if we judge by the answers given by the minister of justice of the time, one of the leaders of the hon. member for Joliette-L'Assomption-Montcalm, we realize that he did not have much influence on the Conservative government.

Mr. Speaker, my position is clear and definite. I believe I speak on behalf of my colleagues from the province of Quebec when I say that we are in favour of amending the Criminal Code in order to allow those provinces within the Canadian confederation that wish to do so to set up provincial lotteries.

In that connection, I refer to a statement made in 1961 by the present Minister of Public Works (Mr. Deschatelets). As reported on page 8 of the appendix to *Hansard* for March 10, 1961, he said:

> I see many problems at this time in the establishment of a federal lottery. We must have regard for the views expressed by some provinces which do not seem prepared to agree. Well, in Quebec, we are ready and I do not see why an amendment to the Criminal Code could not be introduced permitting the establishment of a lottery in order to give effect to the wish expressed by the people of the province of Quebec.

Mr. Speaker, we are now faced with a problem that is relatively easy to solve. We are up against enough difficult situations at the present time, and I feel that we should find an answer to the problem of provincial lotteries in order to give satisfaction to the provinces wishing to establish their own lottery.

As federal members of parliament, our first duty is towards our Canadian fellow citizens. Since we form part of a confederation, it is our duty to see that confederation is respected, that is, we should also act in the best interests of every province by amending the Criminal Code in the manner suggested by my hon. friend. By doing this, we would not be depriving any province of their rights, but we would be granting them what they want. Briefly, the provinces wishing to establish a provincial lottery will be able to do so if we amend the Criminal Code. As for those that do not wish to establish lotteries, they will not have to do so.

I am from the province of Quebec, and I know that the premier of my province expressed the wish to organize a provincial lottery to give assistance to the hospitals and to education.

May I point out at this time that the government of the province of Quebec under the leadership of Hon. Jean Lesage accomplished more for education and public health than was

accomplished in the 16 years the province was led by a man about whom I will not talk since he has gone to his reward.

I do not regret any of the remarks I made in the last election campaign when I advocated an amendment to the Criminal Code enabling the provinces to establish lotteries.

I mentioned a moment ago the reply of the minister of justice on that point, and I am sure that after examining the whole file that data it contains will be of service to all those concerned.

I am sure that it will be under the government of Hon. Lester B. Pearson with a Liberal minister of justice from the province of Quebec that the Criminal Code will be amended to allow all the provinces who so desire to establish a provincial lottery.

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I shall be brief, so that a vote can be taken on the bill, as the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) requested. I take pleasure in supporting the bill on my own behalf, as on the whole it respects provincial autonomy.

It is clear, as the hon. member for Dollard (Mr. Rouleau) so properly said that we, in Quebec, want the matter to be settled once and for all so we may stop talking about it.

The sponsor of the bill may be assured of my support. Unfortunately, he lingered, as usual, over political and partisan considerations and, therefore, incurred a rather sharp reply from his opponent. I deplore such things, but I may assure him of my support as member for Lake St. John.

I approve the bill because, to my mind, it is excellent and will have splendid results. It will enable us to keep a small part of that revenue which flows regularly out of this country every year. Some people may be somewhat embarrassed about the situation, but I think that lottery tickets are sold in all Canadian provinces. We see, from press reports, that individuals, residing from Vancouver to Halifax make considerable profits at this game. This means that lotteries are accepted by people, in a general way, everywhere in Canada.

I think that an amendment to the Criminal Code would enable those provinces who wish to do so to pass a similar legislation and insert it in their own statutes. This would be a true observance of provincial autonomy which would enable the provinces to make their own decisions in the matter.

That is all I have to say and as I have already said, I support the bill.

[*Text*]

Mr. Barry Mather (New Westminster): I should like to add a few words to the discussion of this proposed legislation. I think the measure before us is non-political in the sense that members in all parties have their own views for or against the principle of extending the licensing of lotteries. I am in favour of the proposal which is before us. I am in favour of extending government control over sweepstakes and lotteries. It seems to me that when thousands of Canadians participate every year in the purchase of lottery and sweepstake tickets, with the result that millions of dollars leave our country, a situation is created which might well be remedied by legislation such as is before us. Indeed, money would be encouraged to flow into the provinces from sources outside this country as people abroad bought Canadian sweepstake or lottery tickets.

As things stand we already have in Canada something like 28 operations which are in conflict with the present law. The results of public opinion polls across the country continue to show that in a large measure the public would support the steps contemplated in the bill now before us. It represents, of course, a step toward government operation and legalization of sweepstakes. I am opposed, as are other members of my party, to hospital or educational boards setting themselves up to derive direct benefit from the sale of lottery tickets. Like my colleagues, I think this field should be strictly one for taxation. However, I approve the idea of extending to the provinces the right to license lotteries which would bring in money for general revenue purposes. It is clear we have already accepted in principle in the various provinces the idea of sweepstakes or lotteries, whether it is churches which promote bingo games or governments which derive provincial revenue from the operation of such things as parimutuel racing. Extension to the provinces of the right to run sweepstakes and lotteries would simply provide for a do-it-yourself tax which would allow the people to have a little fun while contributing something to provincial revenues.

I have much satisfaction in supporting the proposal before us. Having said that, I shall resume my seat in the hope that the house may be encouraged to come to a vote.

Mr. Ralph Cowan (York-Humber): Mr. Speaker, in rising at this time I should like to advise the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) at the outset that I am 100 per cent in favour of his motion. I sincerely hope the government headed by our present Prime Minister (Mr. Pearson) will bring in laws and regulations to enact this bill, that is, to amend the Criminal Code so that the attorneys general of the provinces may authorize sweepstakes on behalf of universities and hospitals.

I must say, however, it seems somewhat ridiculous that we should be debating a principle which is largely accepted throughout the country, even though it may not have been legalized. No fewer than three members of the federal cabinet have already admitted by their actions that drawings or lotteries are acceptable to them. There was an occasion not so long ago when a member of the cabinet rose in his place and reporting on two identical bids which had been received in respect of a large amount of concrete necessary for the South Saskatchewan dam, advised this house that since he did not know how to settle the question he intended to put the two bids in a hat and make a drawing. Drawings and lotteries are the same thing.

Another cabinet minister, the Minister of Justice (Mr. Chevrier) himself, the hon. gentleman who is responsible for enforcing the Criminal Code, has also expressed an attitude, if only indirectly. I was interested to read in the Ottawa *Journal,* a paper which is widely read by hon. members of the house, an article on June 26 listing the names of three holders of Irish sweepstakes tickets. Included among the list of ticket holders printed on page 41 of that newspaper we find, in the second paragraph:

> One of the ticket holders in Cyril Rich, 34, 41 Ashburn Drive, an employee of the Justice Department. He holds a ticket on Vic Mo Chroi.

I personally drew the matter to the attention of the Minister of Justice and I wondered whether the hon. gentleman would be congratulating Mr. Rich for having secured a lucky ticket or whether he would be condemning the man for breaking the law of the land. I received a smile in reply. A day or two later a picture of Mr. Rich appeared in the Ottawa *Citizen,* again giving his name and address. He had won something like $30,000. My congratulations to him. I would simply point out that the Minister of Justice took no action and we can therefore take it that what is being done by the people of Canada in this regard is being condoned by the Department of Justice. Frankly, I should like to see their actions legalized.

Then we come to the Secretary of State (Mr. Pickersgill). He, too, approves lotteries, drawings, or games of chance. We have a member sitting in this house today who was elected on the flip of a coin, as was admitted in a widely publicized statement by the returning officer. If this hon. gentleman can hold his seat on the flip of a coin after all that publicity, and if the Secretary of State takes no action, I maintain that yet another member of the cabinet is approving games of chance and is in favour of altering the aspect of the law with regard to lotteries which Mr. Pigeon would like to have legalized throughout Canada.

Mr. Speaker: Order. May I be permitted to remind the hon. member that he should not refer to another hon. member by name but by the constituency he represents.

Mr. Cowan: I have in my hand three tickets on the Cambridgeshire, the date of which is to be announced in the public press any day. I know of no reason why I should conceal the fact that as a member of parliament I buy these tickets. I would point out that in two of the provinces of Canada the attorneys general are now conducting lotteries. I am not the greatest moose hunter in the world but I am an ardent one and I have had many a happy fall hunting season in the area which is represented by my good friend, the hon. member for Cochrane (Mr. Habel). I have often hunted there and I expect to hunt again this year.

When I was speaking the other day to a member from New Brunswick about my moose hunting hopes for this fall he said to me, "You are lucky; you must have won the lottery". I said to him, "Lottery? What has that got to do with moose hunting?" He said, "Down in New Brunswick people who want to go moose hunting are so numerous that the government of the province regulates them. These people make application for the right to hunt, send in their fee, a drawing is made by the New Brunswick government and the first couple of hundred names drawn are given moose hunting licenses." People win the opportunity of going moose hunting in the province of New Brunswick. This has been going on for some years and it is known as a draw in the province of New Brunswick.

I hold in my hand page 4 of yesterday's Montreal *Gazette.* The Canadian Press reports from Quebec city that 37 moose have already been killed in Laurentide park, but the interesting thing about this story is the last two sentences.

> The Quebec government has allowed a special short season in the park since last year. Only 300 hunters are allowed into the park, and they are chosen by lot before the season opens.

If the law forbids attorneys general to conduct lotteries, I wonder under what pretence the attorneys general of New Brunswick and Quebec are O.K.'ing the drawing by lot of moose hunting licences in those two areas.

In the province of Ontario the little town of Penetanguishene on Georgian bay has organized, as a wonderful pastime and business developer, one of the largest and greatest winter carnivals held annually in Canada. It

is now in its seventh or eighth year, and each year thousands of people come. The feature of this winter carnival is fishing through the ice. For $1 the people who come there are given the necessary bait, a small fishing line and a small rod and they fish through the ice for a period of two hours. The person catching the largest fish wins a boat and outboard motor valued at over $1,000.

Some people who did not like the idea of a boat and motor being given away for the largest fish protested the matter to the attorney general of the province of Ontario. I should like to tell you what the Hon. Kelso Roberts, attorney general of Ontario at that time, had to say. He said that the Penetanguishene winter carnival, where a boat and motor are given away for the largest fish produced in the fishing derby, is "the largest legal lottery in Canada" and he was unable to take any action as attorney general of Ontario because in his opinion it was legal. He termed it "the largest legal lottery in Canada".

I would also refer to Ralph Day, a former mayor of the city of Toronto where I reside, and who is still prominent in public life. At one time he was the chief magistrate of the city, and I emphasize the fact that he was the chief magistrate. However, after his term in office was over and he retired into the shade, where ex-mayors reside he bought some Irish sweepstake tickets, as I do and as I believe the majority of Canadians do, and he won a $100,000 prize. My hat is off to the ex-chief magistrate of the city of Toronto. I welcome his good fortune. I trust he has enjoyed his winnings. But I ask hon. members: What action has the federal government taken against the former chief magistrate of the city of Toronto? It is no trouble to find him. Everybody knows where he is. He is a member of the Toronto Transit Commission at present and the government could locate him without any difficulty whatsoever.

I have shown that the purchase of lottery tickets or taking part in drawings is recognized by Canadians from coast to coast and I have mentioned men prominent in public life who should know this is against the Criminal Code. I might point out that at the first Penetanguishene winter carnival the boat and motor were presented to the successful winner, a resident of the city of Barrie, by the then deputy speaker of the House of Commons, the late William Robinson. Following his death his constituency has been represented by the present member and I should like to point out that the hon. member for Simcoe East (Dr. Rynard) has always been a regular attendant at the Penetanguishene winter carnival along with me. We enjoy the day we spend together at Canada's largest legal lottery.

After 40 years in the newspaper business I do not care to mention the names of newspapers, but another interesting aspect with regard to lotteries is that some of these papers write thundering editorials condemning lotteries as a terrible drain on the public purse and a detriment to the morals of the nation. The papers that write the most thundering editorials, of course, are the ones that run the numbers of the tickets drawn in the Irish sweepstakes in order that they may increase the sales of their papers.

In fact, I know of one paper that every year sells thousands of extra copies to one of the biggest sweepstakes tickets operators in Canada. He has an interesting use for these papers. He mails them to the United States because they contain a list of the numbered tickets drawn. It is illegal in the United States for any newspaper to publish the numbers of the successful tickets in draws, so this man takes these Canadian newspapers and mails them to his sales agents in the United States, of whom there are thousands. He says, for example, "See, in the state of Ohio you are selling tickets numbered A1267532 and so on, and you will notice that tickets very close to that number are in the list in this Canadian paper I have sent you. Show it to the people in Ohio so they will know they are getting the real McCoy and are buying the real Irish sweepstakes tickets." The amazing thing is that this paper, which sells thousands of extra copies, at the same time condemns lotteries as being immoral.

Most hon. members know that in 1956 Great Britain introduced national premium bonds. I have here the parliamentary debates for April and May, 1956 at which time Prime Minister Macmillan introduced the national premium bonds and it can be seen here that Lady Tweedsmuir endorsed them and persuaded Mr. Macmillan to expand the sale of these bonds into the commonwealth countries. She said that their sale in commonwealth countries would tighten the bonds of empire. Maybe it does but, as a former speaker said, it takes money out of Canada which remains in Great Britain for some years.

These premium bonds bear no interest. Those who buy them do so on the basis of chance. It is all right for the moralists to tell you and me that is is wrong to rely on chance. True. In the ninth chapter of Ecclesiastes we read in the tenth verse:

> Whatsoever thy hand findeth to do, do it with thy might.

That is a good injunction and I hope all will take it to heart. But in the very next

verse the writer of Ecclesiastes, the wisest man that ever lived, says:

> I saw... that the race is not to the swift, nor the battle to the strong, neither yet bread to the wise, nor yet riches to men of understanding, nor yet favour to men of skill; but time and chance happeneth to them all.

All my life I have been forced to listen to longwinded statements by puritans decrying the evil influences that would emanate from the legalizing of lotteries in Canada, which influences would in time undermine the entire moral fabric of our Canadian nation and ultimately lead to the disappearance of this great country as we know it. Always these puritanical folk have stressed that if only the people of this country would follow the Biblical injunction to tithe their earnings every week then, ipso facto, there would be more than enough money for all good works, including hospitals and universities as mentioned in this bill. But, they urge, if people are allowed to purchase lottery tickets, then they would not accept the obligation to tithe their earnings and the country would suffer from the lack of good works.

All my life I have been hearing this sort of argument, and all my life the taxes imposed on the people by themselves—because in a democracy all taxes are in the final analysis imposed on the people by the people—have been climbing and climbing and climbing. Now they have reached such a point that today finance ministers and provincial treasurers reiterate that the rate of taxation has finally reached the breaking point and they do not know where to turn for more revenue. But I would point out to you, Mr. Speaker, and to all within the sound of my voice, that as the years have rolled along more and more of the good works that are demanded of us are being performed by the people under the heading of taxation, rather than church givings. If you will stop to analyse the division of the moneys raised in taxes today you will be amazed and pleasurably surprised at the vast amounts that are devoted to good works.

Gone are the days when hospitals are erected only under the protection of religious organizations. Gone are the days when a hungry man could only hope for succor by calling at the parsonages or rectories of the nation. Gone are the days when instruction could only be secured from the educated clergy who introduced schools and universities in this country. Today the cost of hospitals comes primarily out of the taxes of the country. Our annual levies are spent in erecting schoolhouses and universities across the land and relief or welfare is available to those in need from government operated agencies.

If you will consider the vast amounts of money spent today by municipal, provincial and federal governments in the dispensation of welfare, in the administration of justice, in the relief of widows, orphaned children, prisoner rehabilitation, workmen's compensation, unemployment insurance, safety on the waterways of Canada, safety on the highways, you will see that God-fearing Canadians from coast to coast are to be counted "among the blessed of our Father, for their works do follow them."

Paul tells us in his great epistle to the Hebrews, chapter 7, verse 5, "They . . . who receive the office of the priesthood have a commandment to take tithes of the people", and in the 27th chapter of Leviticus we read, "And all the tithe of the land whether of the seed of the land or of the fruit of the tree is the Lord's; it is holy unto the Lord".

The practice of tithing is a blessed one but we are also urged "to heal the sick, cleanse the lepers." We are advised in St. Matthew's gospel that on judgment day the Lord shall say to many, "Come ye blessed of my Father, inherit the kingdom prepared for you from the foundation of the world for . . . I was sick and ye visited me . . . Then shall the righteous answer him saying: Lord, . . . when saw we thee sick . . . and came unto thee? And the King shall answer and say unto them, verily I say unto you, inasmuch as ye have done it unto one of the least of these my brethren, ye have done it unto me." In all reverence I say that the Lord will not ask you whether you tithed through a church or paid for your good works through taxes which were devoted to good works, but will bless you for having healed the sick, cleansed the lepers and visited the fatherless in their affliction, even if it was under the guise of government operated welfare agencies.

I say, Mr. Speaker, with unlimited admiration for the people of Canada, that if they are given due recognition for the manner in which they spend their income through taxes for good works they are tithing every day and every year. Statisticians provoke me when I read from time to time that one of them has uncovered the fact from income tax reports that the charitable givings of the people of Canada are 2 per cent or 3 per cent or some such distressingly low figure. But do those long-faced mathematicians stop for a moment to calculate how much of the income of those income tax paying Canadians has already been spent in charitable endeavours through the medium of their municipal, provincial or federal governments? Seldom if ever, I have to answer.

Surely, if the taxpayers of Canada are meeting their obligation of tithing through

their own taxes, the tax exemptions which they grant to churches and local charities and the share they pay of corporation taxes, plus their givings, they are entitled to "a little flutter" for themselves, if they so choose. I support the bill wholeheartedly.

Mr. J. J. Greene (Renfrew South): Mr. Speaker, we do not have too much time today to cover the many points pertaining to the bill. I do want to bring before the house a little of the history of lottery legislation which I think might be pertinent and interesting to the members of the house before they go so far as to vote on the bill.

In my research, Mr. Speaker, I determined that the first time that lotteries were ever invoked by any government was by the government of France in the early eighteenth century. They were suggested to the government of France, in fact propounded and operated for the government of France, by a gentleman by the name of Casanova who is better known for activities of another type. I wonder, Mr. Speaker, whether there is any affinity between the sponsor of this bill in this house and his historical antecedent Casanova, who introduced the bill before the government of France. I point out that in a book in which Casanova tells how he introduced this bill to the government of France he says he was enjoined to raise $30 million for a military school. The government wished to get this sum without a charge on the state or emptying the treasury. Casanova answered that it was God alone who had the creative power. Casanova, out of his genius, evolved a lottery such as the hon. gentleman is doing here and obviously he, along with Casanova, has the divine, creative power.

[*Translation*]

Mr. Pigeon: Mr. Speaker, I rise on a question of privilege. Since all the hon. members agree, I would ask that the question be put immediately.

Mr. Deputy Speaker: The hon. member must admit that there is no question of privilege here.

[*Text*]

Mr. Greene: I might point out that at the same time Casanova was suggesting this piece of legislation to the government of France by means of which a lottery would be created, he was told by one of the officers of the government that the government would lose on the first lottery because this would be an incentive to the people to invest even further sums in the lotteries in the future.

Mr. Deputy Speaker: Order; the hour appointed for private members' business having expired, the house will now resume the business interrupted at five o'clock.

[Mr. Cowan.]

SUPPLY

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

INTERIM SUPPLY

The Chairman: It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

Mr. Martin (Essex East): Mr. Chairman, the hon. member for Burnaby-Coquitlam, in challenging the refusal of the government to table the storage warheads agreement of August 16, has cited the United Kingdom Polaris agreement which contains 11 pages of detailed information. I say to him that this is quite a different matter and one that does not involve the disclosure of classified information. It deals with the acquisition of weapons delivery systems and is comparable to our unclassified agreements with the United States to acquire the Bomarc and the Voodoo.

With regard to the former, that is the Bomarc, the details were given by the government, and that document is to be found in the Canada treaty series. I regret I do not have the date. The one dealing with the Voodoo, which is part of the triangular swap deal, was published as No. 5 of the Canada treaty series, of June 12, 1961. None of these involved the disclosure of information which could be prejudicial to national security.

In the course of his remarks the hon. gentleman said that Canada was becoming a junior partner in arrangements to establish nuclear weapons on our soil without our having complete control over them. The hon. gentleman, for whom I have a high regard, will not misunderstand me when I say I thought this was a very strange argument to come from him, because of his sincere desire, which I share, that there should be a limit on the proliferation of nuclear weapons.

The logic of my hon. friend's argument is that Canada should have insisted on complete national control over the warheads for the Voodoo and the Bomarc, but the disastrous effect of any such insistance on our part would be to breach a principle underlying all U.S.A. and NATO arrangements concerning nuclear weapons, and which has been unanimously endorsed by the United Nations in the Irish resolution opposing the dissemination of nuclear weapons. Therefore I say that I find this argument coming from him to be a very strange one indeed.

We are not, by the agreement the government signed on August 18, acquiring nuclear weapons. We are not joining the nuclear club. The custody of these nuclear weapons continues to be with the United States. In no sense of the word can we be accused on the basis of this agreement, which has to do with the storage of nuclear weapons for defensive purposes on this continent, and in the case of the CF-104 in Europe as in any way participating in an expansion of the nuclear club.

When my hon. friend says that we do not even know what the arrangements are, to the extent that these arrangements can be spelled out without violating the principles of security I would refer him to the release to which he drew our attention today. The final paragraph of it contains the kind of information, and the only kind of information which the right hon. Leader of the Opposition said in 1959 could be given—

Mr. Diefenbaker: That is a misinterpretation of my remarks.

Mr. Martin (Essex East): —when he presaged what would happen. That is what the right hon. gentleman said. I have reread what he said and I cannot agree with the observation which he now makes. Here is what the release says:

> When the stockpiles are established, the warheads will remain in United States custody, and for this purpose small units of United States custodial personnel will be stationed at the Canadian storage sites, at bases which will of course remain under Canadian command and control. With custody remaining with the United States, the arrangement does not add to the numbers of governments having nuclear weapons at their independent disposal.

—which is the purport of the Irish resolution.

> It is also to be noted that provision is made for the application at all times of the most stringent safety measures. Finally, these nuclear warheads cannot be used operationally without the authorization of the Canadian government. Joint control is thus assured.

My hon. friend says that the argument on which the government bases its case, namely, that commitments were made by the previous administration, is no excuse for going on with the role. I would ask him to be good enough to recall what I placed on *Hansard* when I reported the conclusions of the NATO ministerial meeting of last May. What I said will be found in *Hansard* of May 27 last at page 305, and I think what I said then is relevant to the discussion now before us:

> I want to make perfectly clear that Canada has undertaken no new commitments at the meeting just concluded. It is, however, the policy of this government to take the steps needed to make it possible for the Canadian forces to discharge the role accepted for them by the previous government. This was as long ago as 1959. That role would not disappear if Canada failed to carry it out; all that would happen would be that some other member or members of the alliance would have to shoulder the obligation in our place.
>
> The kind of forces Canada agreed to contribute were to meet part of an established NATO military requirement, and I am sure that no hon. member of this house would wish Canada to be placed in the position where it would be foisting upon others a task voluntarily assumed by Canada through the former government as part of the collective defence effort of the alliance.

So, I believe the argument of commitment is relevant. The honour of the nation was at stake. The extent of our participation in the alliance is involved. The question of our relations, not only with the United States but with the other members of the NATO alliance, is definitely involved. These were the considerations that the right hon. gentleman opposite I am sure had in mind when he spoke about this matter as he did in 1959 and which we, confronted with the responsibility, had to consider with regard to this very important matter.

The hon. gentleman said today, and I can well understand this observation, that since the international situation seems to have changed, the nuclear role was now meaningless. I will at once admit that if one could see the evolving events following the signing of the test ban agreement, he might find some comfort in the observations of the hon. gentleman. But what are the facts? The facts are that the test ban agreement, important achievement that it is, marking an obvious and sincere detente, I think, between the Soviet union and the United States in particular, the Soviet union and the United Kingdom, the United States and the western world generally, was made possible not only because of a willingness on the part of the Soviet union to sign this agreement with regard to the three environments involved, but it was encouraged strongly, I suggest, by the events of last November arising over what Mr. Gromyko called the other day in the United Nations the Caribbean situation or, more particularly, the situation arising out of the placing of offensive nuclear weapons on the soil of Cuba not far from the shores of North America, and also by the fact that the Soviet union is absorbed with other important considerations.

I say all this without in any way wishing to depreciate the extent of the steps that have been taken in the newly evolving understanding between the Soviet union and the west. But I think it may well be argued that we have been able in part to achieve this happy situation, which we hope will continue to grow, as a result of the fact that we in the west were able to argue from a position of strength. In the face of the present world

situation one must not forget that this situation governs international relations, regrettable as that may be.

Mr. Chairman, the hon. gentleman mentioned something about the efforts being made to reduce the nuclear armaments that now confront both east and west. All of us in this country are anxious to see progress made in the field of disarmament. But the nuclear test ban treaty is not a disarmament treaty. It is an arrangement outside of the consideration that now governs the deliberations of the 18 nations who have been conferring in Geneva and who, I hope, shortly after the conclusion of the disarmament discussions in the present general assembly of the United Nations will return to their task. I do not deny that the test ban treaty may be an encouragement for success in these disarmament deliberations. But does anyone seriously argue that the policy of the government of Canada is inconsistent in any way with the desire of this country and of the people of the west under conditions of security to minimize the occasion of war by accident or by miscalculation merely because we resort to steps which I believe have been partly responsible for our ability to sit down at the bargaining table and bargain from a position of strength?

If one were to adopt that argument, he would have to apply it to every member of the NATO alliance; and it must not be forgotten that in the important talks which have been taking place between the three great powers in Europe, two of them are members of the NATO alliance and share much greater burdens in that alliance than does Canada, great as is our obligation and burden. We will work for disarmament. We will recognize the difficulty of achieving it in the face of an absence of decision with regard to the major political problems that divide east and west. But we will pursue every course that we can, through our spokesman in the person of General Burns, to try and bring about some understanding that will add to the detente which now seemingly is under way between the Soviet union and the nations of the west.

I would suggest that there is reason for optimism. There is reason for believing that some progress can be made. There is reason for believing that it can be made before the meeting in Geneva of the 18 states of the disarmament committee shortly after the general assembly of the United Nations. There are three areas now in this field of disarmament in which I think we should strive for agreement at the earliest possible moment. These have been mentioned by the President of the United States, they have been referred to by the foreign minister of the Soviet union, and the day before yesterday they were underlined by Lord Home, the foreign minister for the United Kingdom. They are, first, an agreement by the United States and by the Soviet union for the outlawing of nuclear weapons in outer space. Second, the establishment of control posts and inspection teams on both sides of the iron curtain; and third, steps to be taken for the non-dissemination of nuclear weapons. Those are the three areas of possible agreement, one of them, I hope within the course of the next two or three months, the other two possibly only at Geneva. They are far from being a comprehensive disarmament arrangement but they do represent important steps. The one having to do with the placing of inspection teams would serve to eliminate the possibility of surprise attack. In the growing understanding, which I believe to be solid and which I hope will continue to be firm and represent a sincere desire on both sides, we must recognize the limitations which confront those countries who have not yet had placed before them the ultimate result of this detente. So I say to the hon. gentleman—

Mr. Churchill: Will the minister permit a question? I am just wondering, with regard to the third area in the disarmament conference proceedings, the prevention of the further dissemination of nuclear weapons, would he say that Canada is now going to be able to argue from strength, having agreed to have nuclear weapons placed on her soil?

Mr. Martin (Essex East): Certainly. Nothing that we are doing in the policy that has been announced by the government, as I said a moment ago, is contrary to the Irish resolution which deals with the non-dissemination of nuclear weapons. There is nothing inconsistent between the policy of this government and that resolution. We have not joined the nuclear club. The custody of these weapons will be, and will continue to be with, the United States. It is only when there is a question of operational use that the element of joint control arises.

These are the facts. I know my hon. friend, is sincere in this matter. Over many years I have had with him a community of interest in this problem. He and I and a former member for Greenwood, Mr. Denton Massey, went as young members from this house to Geneva to join with the voices of other young people from this country and the world to try to bring about some understanding between peoples of various countries on both sides of the iron curtain. Nothing that we are doing in this policy, nothing that this government, headed by the right hon. gentleman who has done so much for peace and for the United

Nations, is doing can in any way be regarded as an abrogation of these ideals and these former efforts.

Mr. Churchill: I wonder if the hon. gentleman would permit one more question for clarification. What does he mean by the dissemination of nuclear weapons? Does he mean the dispersal of them in other countries than the United States, Great Britain and Russia, or is there some other meaning attached to this term?

Mr. Martin (Essex East): No, Mr. Chairman, there is no hidden meaning. The nondissemination of nuclear weapons is defined in the resolution introduced by the ambassador for Ireland at the United Nations two years ago. Canada subscribed to that resolution. An analysis of the resolution will show that present government policy is perfectly consistent with it. That resolution sought to limit the number of nations with nuclear weapons under independent control. Only four countries in the world now have that kind of nuclear capacity. Canada is not one of them. As I have argued tonight, I hope sincerely and with moderation, that is the position of the government. I believe that is the position of this house. That is the position which is embodied in the government's policy.

Mr. Churchill: We are just a chore boy for the United States.

Mr. Douglas: Mr. Chairman, I intend to detain the committee for only a few minutes. I just want to say that in my opinion the minister has made a very sincere attempt to defend a position which is indefensible. He tells this committee that, having himself on behalf of the government signed an agreement for the acquisition of nuclear arms for Canadian forces, this does not make Canada a nuclear power; nor does it entail Canada joining the nuclear club.

Mr. Martin (Essex East): Would the hon. gentleman permit me to make one intervention here? I did not say that we had an agreement for acquiring nuclear weapons. I said we had an agreement with the United States with regard to the storage of nuclear weapons for Canadian forces.

Mr. Douglas: The Secretary of State for External Affairs has signed on behalf of the government an agreement under which Canada acquires nuclear warheads on Canadian soil under the custody of United States military forces. He says that this does not mean we have become a nuclear power and it does not mean we have joined the nuclear club. I wonder whether the Secretary of State for External Affairs really thinks that anyone will accept this kind of hocus pocus. The government of Canada may say that this does not make us a nuclear power and that it does not mean we have joined the nuclear club, but certainly the attitude of other nations will be that we have become a nuclear power and that we have joined the nuclear club. The mere fact that these nuclear weapons are under the partial custody of the United States does not remove the fact that they are on Canadian soil and are in the hands of Canadian forces.

May I remind the committee that it is not many months ago that nuclear weapons were placed in Cuba; they were not in the hands of Cuban forces, they were in the hands of Soviet forces. This did not stop the United States and ourselves and other members of the western alliance from being alarmed that nuclear arms were in Cuba. We did not take the position that because nuclear arms were in the custody of Soviet forces Cuba had not joined the nuclear club and constituted no threat to western hemispheric security. Not at all; we took the position that they should get those nuclear arms out of Cuba, and get them out fast. The minister is not fooling anyone by saying that, because these warheads are in United States custody, this does not put us in the class of being members of the nuclear club or make us members of a nuclear society. As a matter of fact it is only a year and a half ago that the Liberal party was taking the position that the acquisition of nuclear arms by the Conservative administration would have made Canada a nuclear power and would have put her into the nuclear club.

The other thing is that the Secretary of State for External Affairs made mention of the fact that I had criticized or referred to our being a junior member of a nuclear complex with the United States. I certainly was not suggesting that nuclear arms should be in Canada solely under Canadian control. My statement at that time related to a quotation from the book "The Liberal Party" written by the Hon. J. W. Pickersgill, in which he said that the Liberal party was opposed to accepting nuclear weapons, not only because it was not a suitable role for Canada and would lessen the chances of peace, but because there was no possibility of Canada having custody, and therefore we would be surrendering part of our national sovereignty. My objection was to Canada's surrendering part of its national sovereignty without reference to parliament.

The secretary of state has gone all around the subject and not dealt with the main question I raised. I was not saying that we had never discussed nuclear arms in this house.

I agree that the government went to the country last April and that the present Prime Minister, as leader of the Liberal party, announced that if his government were elected they were prepared to enter into some type of agreement for nuclear arms. They came back to this house with the largest group. But I certainly deny that they got a mandate from the Canadian people. They are a minority government. I also agree that in the speech from the throne debate this general question was discussed and was voted on. What I am saying is that having entered into a specific agreement, and particularly an agreement signed by a minority government, that agreement ought to be submitted to parliament for approval and parliament should know the terms and conditions under which we have been committed.

It seems to me amazing that a party which has talked so much about the supremacy of parliament should now be beating all around the bush talking about disarmament and the hopes for the future, talking about everything except the subject relevant to this discussion, namely, why has the government not given this parliament an opportunity to approve and ratify this agreement? The President of the United States, who under their constitution has far broader powers than has the Prime Minister of Canada, would not dare enter into an agreement like this committing the United States to a certain course of international action without first submitting the matter to the congress of the United States.

Mr. Martin (Essex East): Would my hon. friend permit me to point out that he is talking about something else. This agreement, for instance, is not being put forward for the examination of the congress of the United States, just as it is not being put before parliament in specific terms, consistent with its classification as a secret document.

Mr. Douglas: That is very apparent, Mr. Chairman. The United States already has the legislation which has made it a nuclear power, and the United States already has the legislation by which it can grant nuclear warheads to other nations under bilateral agreement. The United States does not have its status altered in any particular by virtue of this agreement; but I suggest that the signing of this agreement has altered our status in the eyes of the world. It has altered our commitments, and these commitments ought not to have been entered into on behalf of the Canadian people without reference to the elected representatives of the Canadian people.

Mr. Winkler: The admission having been made that we have now sacrificed a degree of our sovereignty under this agreement, I am wondering whether the Secretary of State for External Affairs may not be able to say that the reason for not wishing to disclose the full terms of this agreement to the house indicates that there is a further and more serious loss of sovereignty within that agreement.

Mr. Martin (Essex East): In answer to that question, I would deny the hon. member's initial observation about the loss of sovereignty. With regard to what he said later, he knows perfectly well the limitations which are placed on anyone with regard to a classified document. I recall to him the words of his own leader spoken in this house on February 20, 1959, which were:

> We are confident we shall be able to reach formal agreement with the United States an appropriate means to serve a common objective. It will, of course, be some time before these weapons are available for use by Canadian forces. The government—

—that is, the government of the right hon. gentleman, as of that day—

> —as soon as it is in a position to do so, will inform the house within the limits of security of the general terms of understanding which are reached between the two governments on this subject.

That is exactly what we have done.

Mr. Diefenbaker: That is exactly what you have not done.

Mr. Douglas: May I ask if the United States government has asked for this document to be kept secret, or whether this decision was reached by the Canadian government of its own accord?

Mr. Martin (Essex East): This is a classified document and that secrecy is observed by every NATO country with regard to its own people and its own legislature.

Mr. Hales: I am sorry to interrupt such an interesting discussion as the one which is before the committee at the present time but I should like to take this opportunity to protest another of the ill-conceived and discriminatory pieces of legislation which have gone to make up the Pearson plan. I refer to the legislation setting up designated or distressed areas in Canada as announced in a press release on September 6 by the Minister of Labour and the Minister of Industry. At that time some 35 designated or distressed areas in Canada would qualify, it was stated, for special measures of federal assistance.

I point out, first of all, that this was announced in a press release. That is how we seem to find out about most things. I had to get my copy by coming to Ottawa; I do not think any hon. member of this house received a copy of the release. I know that

some hon. members were very much interested in this question as it affects south-western Ontario. I am thinking, in particular, of the hon. member for Waterloo South who, I am sorry to learn, is ill and unable to be with us. I know that the hon. member for Perth, the hon. member for Oxford, the hon. member for Wellington-Huron, Waterloo North and others did not receive copies of this press release.

Even the mayors of the municipalities concerned were not notified. What did they have to say? I should like to read from the Guelph daily *Mercury* of September 12, in which the mayor of Guelph had this comment to make:

> The federal government should at least tell the public what constitutes a depressed area, what special considerations are involved and when this became effective.

The report continued:

> When the depressed areas were first announced, the mayor of Brantford was surprised to know he was living in one. It should be publicly known just what constitutes a depressed area.

Having in mind the public relations branches attached to the two departments of government concerned, I think the least that could have been done was to have advised every member of this house of this important piece of proposed legislation.

What are likely to be the effects of this measure? I am speaking not only as one who represents a particular area of Canada. This proposal affects all areas of Canada. This ill-conceived piece of legislation, like so many others introduced by this fumbling and bumbling government, was certainly not carefully studied or considered before it was introduced. The government did not take time to analyse the conditions which cause depression and, above all, did not stop to consider what reaction the designation of a particular area in the heart of an industrial district might have on neighbouring cities within a few miles of each other. For example, let us suppose we have a father with four children. They are all in one room and the father gives one of the children a ten dollar bill without giving the others anything. You have a family row on your hands immediately.

Here we find a similar situation. Guelph, Hamilton, Kitchener, Waterloo, Stratford, Preston and many other smaller communities were all one happy family in this area. The government has given to the city of Brantford concessions, in this case worth $400,000 to one particular industry. Similar concessions are not available to the other members of this happy family of towns which are all in that area—towns which had been getting along nicely and which have been competitive in getting industry and in improving economic conditions. They were getting along well until this government interfered.

Let us review the steps leading up to the introduction of this discriminatory legislation. It was announced on September 6. The criteria for designation were set forth in the same announcement and I think that for the record I should read the main ones. They are these:

> A national employment service area qualified as a designated area provided—
>
> (A) it has been classified by the Department of Labour as a labour surplus area for one half or more of the summer months (May to October) during the past eight years; and it has experienced an employment increase of less than one half the national average over the same period; or—

So it goes on, with "and" and "or" and "or" and "and". If you can understand it, you are better than I am at deciphering things, Mr. Chairman. However, no consideration is given to the present or future employment potential of an area.

I should like to read, now, from a brief presented to the Minister of Industry in connection with this discriminatory move. This is a brief which was presented to the Minister of Industry by the mayors and reeves of the municipalities concerned. It states:

> As you, Mr. Minister, know, farm machinery manufacturing has long been a major industry in Brantford and to some extent must bear the blame for some of the gyrations that the city of Brantford has experienced. But surely some of the misfortunes that have befallen Brantford during the past five years were unique and by this we mean the closing of the Cockshutt plow plant several years ago, and the razing of the Massey Ferguson's Market street plant. But the fact that these industries are now being replaced by new plants must certainly be considered now. It is known that a new $13,000,000 Massey Ferguson plant is under construction at the present, as well as a new division of Cockshutt Farm Equipment, which is now a subsidiary of Oliver Farm Corp., U.S.A. The increases in employment and assessment that will result from the construction of these two plants and their eventual operation will, no doubt, once again put the Brantford area in the vanguard of progressive communities in southern Ontario.

So nothing was said in the criteria about the present or future potential with respect to the employment picture. Then we move along to the time after the announcement was made and the criteria were laid out. The policy of the government was that of central control and sidestepping the municipalities and the province. The government took the matter into its own hands and said to Brantford: We will name you a designated area. The municipality was not consulted.

The government also sidestepped provincial autonomy. Just a few years ago the provincial government brought in legislation to prevent municipalities competing with one another for industries. The situation had got to the

point where a municipality would offer an industry freedom from municipal taxes for so many years in order to entice it to come to that area. This went on and on until things got out of hand. The provincial government then said: No, this must stop; and legislation was passed to that end. Here we have the federal government stepping in, going over the provincial legislation and saying: Brantford, you are a designated area and we will give you this and that.

The federal government is sidestepping municipal autonomy. They are not even consulting the municipalities. They are not even asking them: Do you want to become a designated area or not? In the criteria that have been established, too much emphasis has been placed upon statistics. I should like to place on the record an editorial headed "...and Statistics", which appeared in the Guelph *Guardian* of October 2, 1963. It reads:

> Brantford may well be statistically a depressed area according to the formula used by Ottawa to determine that state of affairs; but if it is, then the formula should be changed.
>
> It is absurd for the taxpayer to foot the bill to give industries concessions amounting to more than $400,000 to establish in Brantford, rather than in Guelph or some other community.
>
> There are said to be lies, damned lies and statistics. It is only on the basis of far from convincing statistics that tax money is being used in this curious way.
>
> Under the principle of cabinet solidarity the government presumably is in accord with the answer given the delegation from this area by the minister they interviewed, the Hon. Charles M. Drury, who represents Montreal St. Antoine-Westmount. Mr. Drury simply stands or falls by the statistics. It is a reasonable prediction that such simple faith in statistics will lead the minister into more troubles than his ability will get him out of.
>
> This is a case of a statesmanlike measure being applied in anything but statesmanlike fashion. There would be little objection to the taxpayer's money being used to transfer plants to, say, a one industry town that had lost that industry; or to a community under special difficulties which could not provide a reasonable standard of living for its citizens.
>
> But Brantford is a highly industrialized city with higher wage rates, for instance, than Guelph, and certainly no greater unemployment problem than this or many other cities. Reconsideration of the policy is urgently necessary, and the sooner the better.

And so these were the steps taken. How does this affect a community? I can give you a concrete example of just how it has affected the city I represent, Guelph. Last August it was announced by the city that a company was coming into our community. A lease was signed for 10 years. A few weeks ago the contractor had the footings in and the ground plumbing installed. Two thirds of the steel was on site. Overnight the company heard that if they went to Brantford, a designated area, they could receive concessions up to $400,000 over the next five years. These concessions are arrived at by taking into account the legislation which provides a three year holiday from income tax, a 50 per cent write-off on new machinery and a 20 per cent write-off on buildings. You cannot blame the company for taking advantage of these concessions which have been handed to it on a silver platter.

Here we are, as citizens and taxpayers of that great metropolitan area of western Ontario, contributing taxes to the federal government so that we can sit back and whistle and watch factories going over to the Brantford area, and this after we in our area and many other areas throughout the region have developed an industrial basin and have spent millions of dollars to attract new industries. We were aggressive. We worked hard to build up these industrial basins and now we must sit back and watch industries flit by our doors on the way over to establish themselves in Brantford.

I ask the minister to reconsider this discriminatory piece of legislation; and when amendments to the Income Tax Act come before this house, to make possible these provisions for depressed areas, I hope hon. members will think twice before they vote for such amendments to the act.

I point out to members from industrial areas that something else can happen. Do you know that an old, established industry in your city can move to a designated area, change its name, build a new factory, put in new machinery and make a new product and thus be eligible for these concessions? I say to any member who has an industry in his riding that that industry can move to a designated area and get these concessions.

Some may say that if I were a member for a designated area the situation might work in reverse. Yes, it can work that way. A member can represent a designated area tonight and tomorrow morning on the say-so of the government it will no longer be a designated area. You may have been negotiating with a company previously to come to your riding and establish a plant. You may spend one to two years trying to get the company to to your area as a designated area; but then overnight by the stroke of a pen you are no longer a designated area and all your work is of no use. It works both ways.

Briefly that is the situation. In conclusion, I would ask the government, particularly the Minister of Industry, to revise their thinking as to this type of legislation. First of all, respect municipal autonomy. Consult the municipalities and ask them if they want to be designated areas. Revise the criteria by

which a designated area is established. I think we will all agree in principle that there are areas in Canada in need of help, but let those areas come to Ottawa and ask for assistance. Do not put so much emphasis on statistics but rather on the practical application of the scheme. Think about the distance between a designated area and non-designated areas. Keep out of highly industrialized areas. I do not think for a minute that this legislation was ever intended to apply to a highly industrialized area and thus start a family row among all the cities and communities in that area. Do not override the provincial legislation already in effect. These areas should not be selected on a patronage basis. I am not accusing the government of doing that, but I do say that 63 per cent of these designated areas in Ontario have Liberal members. There are five areas that have Liberal members, two are Conservative ridings, while one is an N.P.D. riding. I say that 63 per cent of the designated areas in Ontario are represented by Liberal members or Liberal senators.

The government should prevent further steals of industry from one city to another. If you want to help this situation, then help move the employees from one area to the other. The area of which I am speaking covers a radius of 25 miles, and today people can commute easily. If there is a need for help in one area, it is not a problem for people to commute a short distance like that.

In conclusion, Mr. Chairman, I would say to this government they should do one of two things. They should either remove Brantford from the list of designated areas, or give the rest of us in southwestern Ontario the same concessions. We would rather not have these concessions. It hurts our pride. We do not not want this help. We would rather go it alone. We are not happy about the cartoon published in the *Globe and Mail* which showed the mayors of all these municipalities playing violins in the street and begging for support. We would rather go it alone and get industry into these areas as we have done in the past. This problem requires immediate and serious thought on the part of the government, which introduced this legislation in a hasty and ill-considered manner in order to beat the 60 days of decision. Then they found themselves in a real muddle. If you do not believe me, just go into southwestern Ontario, and talk to the people in the area to which I have been referring and have the honour to represent.

Mr. Thompson: Mr. Chairman, only a few short days ago I had the privilege of having lunch with the New Zealand ombudsman. We discussed the cases that he had had come to him during his first term of office. It thrilled me to hear him express satisfaction with the part he had been able to play in bringing justice to a great number of people who, as a result of bureaucratic government, found themselves in difficulty.

Mr. Diefenbaker: Mr. Chairman, I do not want to interrupt my hon. friend, but I do rise on a point of order. It should be understood that the subject matter introduced by the hon. member for Wellington South may be continued, even though there is a break now when the hon. gentleman discusses another matter. I have no objection to this. On the other hand, I refrained from speaking a while ago on the question of nuclear weapons because I realized it was a subject of great importance and if I were to break in the result would be that the debate could not be continued. If it is understood in the committee that, after the hon. gentleman has spoken about the ombudsman, hon. members may speak in this matter which particularly affects the economy of this country, then I have no objection. Otherwise, I raise the point of order.

The Chairman: My understanding is that since we are in committee there is no difficulty about the point which has been raised by the Leader of the Opposition.

Mr. Diefenbaker: They can come in at any time.

The Chairman: That is quite right.

Mr. Thompson: If the Leader of the Opposition would be just a little bit patient he would find I will not be breaking the trend of the discussion that has been started. I will be dealing with very much the same problem as that to which the previous speaker was referring.

In any event, I picked up a newspaper last night and I read where this same ombudsman in New Zealand had presented his first report to parliament. The government was so satisfied with the first year's operation of his new office that they are going to expand his powers. A few months ago I had the opportunity of presenting a bill before this house that would have given us in Canada an ombudsman. However, Mr. Speaker saw fit to disqualify my bill and throw it out. Now, I am rather happy that he did so, although I am convinced that before long we are going to have an ombudsman in Canada, because bureaucratic government requires that we have one.

If this office had been established, I am afraid that every citizen in Red Deer would be appealing to him tomorrow because of the injustices that have been perpetrated upon them in the last couple of days. The reason for this is simply the bureaucratic actions of

government departments, in this case the bungling and inefficient administration of the transport and defence departments in relation to the Penhold air base and its development into a jet training base.

As long ago as seven years, plans were being made to develop this important training centre into a jet training base. At that time the government was well aware of the implications that would be brought about through the newer developments in aircraft training. This awareness carried right on through the Conservative government's administration. These plans have finally come to a head. This meant the purchasing of the Tudor jet aircraft which would lead to a program whereby young men would go directly into training on jet aircraft. In recent months plans developed to the point where the government, carrying through the policies of the previous government, had let the tenders for the construction of the necessary runways. The tenders had been opened, and even the treasury board had considered the expenditure of approximately $3 million, or, to be exact $2.8 million for this purpose. The contractor concerned had moved in equipment planning to begin work on runway construction. In addition to this, the air force moved in a lot of equipment. Not only that, but they had called for a program of additional housing in the city of Red Deer which, just the night before last, was cancelled. Last Monday night the city council had given approval for this $1 million housing program. As late as three weeks ago, both the mayor of Red Deer and myself were informed that this program was going to go through, and we were informed by the defence department.

Then, suddenly the project was withdrawn. What has been the result? Well, the contractor has lost thousands of dollars because the contract that had been more or less assured has been cancelled. We find that a $1 million housing project has likewise been cancelled after the city had reserved the area and made the necessary plans to supply the essential services. The whole community of central Alberta is upset because of this decision reversal.

We investigated and we have found out that as long as nine months ago negotiations had been carried on by the two departments concerned, at departmental level, regarding the safety requirements relating to air traffic lanes and buffer zones. All through these discussions it had seemed to the air force that they would be going forward with the project, and the outline I have given is proof of that. Then all of a sudden a new regulation was introduced and this regulation or recommendation—no matter what it is called it amounts to the same thing—set up a 20 mile buffer zone on either side of the normal air traffic lane, making it absolutely impractical for the air force to use this area as a training centre, because the air space was not sufficient for the high speed aircraft involved.

What is the result? It is a waste of taxpayers' money. It has caused a great deal of confusion and distress for a great many of our citizens. Half the village of Penhold will find itself empty because the people living there are working at the air base. Many of them will have to move elsewhere or become unemployed in the city of Red Deer. In the case of Penhold debentures were floated in order to provide the essential services for a housing program. These will have to be cancelled, and now the village is in extreme financial difficulties, and is even facing the threat of bankruptcy. This is the problem we find because there is not the proper consultation and co-ordination between two government departments that there should be. This is the danger that is involved when governments become as vast as they have become today.

I demand that the government publicly and fully make known what has happened in this matter, and that appropriate action be taken to clear up what appears to be vast interdepartmental blundering.

This is only an illustration concerning one constituency of the chaos that exists between all levels of government. One department simply does not know what another is doing. Were I to go into the number of instances where provincial and federal government programs do not coincide and are not co-ordinated, I could take more time than the rules of the house allow. We have already seen first rate examples during this session of parliament.

The Canada pension plan, introduced with such a flourish a few months ago, is now in a position where the government cannot go forward with it without the co-operation of a single provincial government. We, the duly elected members of the house find that we have been wasting our breath, time and efforts becoming acquainted with this vast subject, because in the end we have found that the future of this proposal does not depend on our efforts but on the whim of a single provincial government.

Mr. Horner (Acadia): Would the hon. member permit a question?

Mr. Thompson: I do not think a question is necessary at this time.

Mr. Horner (Acadia): I am sure he would like to clarify my mind—

The Chairman: Order. If the hon. member who has the floor does not yield to the hon. member asking a question, then he should be allowed to complete his speech.

Mr. Horner (Acadia): I will ask my question later when he has finished.

Mr. Thompson: Another example is the municipal loan fund. This was also introduced with a great flourish. When he spoke about it in the city of Toronto the Prime Minister said something like this, "Come on and get it boys. It is here for you." However it did not take very long before it was discovered there were problems relating to it, and a conference of provincial premiers had to be called. As a result this loan fund has not been implemented in the way it should have been, nor has it met with needs it was intended to meet.

What could be a better example of this bungling between governments, provincial and federal, than that set forth by the hon. member who preceded me when he spoke about assistance for distressed areas? How does the federal government know which area in any province is a distressed area? I can give an example in my own province. One particular town has been named. I do not deny that that town is not in a needy area, but what about the other areas adjacent to it? What about other areas in other parts of the province?

An hon. Member: Penhold.

Mr. Thompson: Yes, Penhold will be one too, unless something is done. How can the federal government know the needs of the municipalities, and what right has it to designate, over and above the authority of a province, what is a special, needy area? This is just another illustration of the problems we face when there is not adequate consultation between governments at the various levels.

I can give another illustration. What about the history of the Columbia river treaty? How long has it been held up for this very same reason? Because there has not been proper co-ordination, discussion and planning between the provincial government and the federal government, the result is that the economy of the nation is held back.

The announcement of bold plans that quite obviously affect provincial governments, before those governments have been consulted, has led to a great sense of ill-will on the part of provincial governments towards the federal government, and what better illustration of that could we find at present than the province of Quebec? The need for government by consultation is one of the most urgent things facing us.

I have previously demanded that the government establish a department of federal-provincial affairs. It should be a full-scale ministry, having the prime purpose of dealing with those matters that concern the different levels of government, federal and provincial, and the provinces one with another on a broader scale. To me it seems just as important that the provinces be consulted, ahead of time, on matters of federal action and policy that will affect them, as it is that every piece of legislation and order in council be examined to assure conformity with the Canadian Bill of Rights. The need is self-evident and does not require further emphasis from me at this time.

Several provinces have seen the need for such a department and have themselves set up departments of provincial-federal affairs. If that could be done in every province, with the lead being given by the federal government, then how much easier would it be to deal with the problems that resolve around legislation such as the Canada pension plan, the municipal development fund, and that relating to distressed areas? We must have an even greater degree of co-operation in the future between the provinces and the federal government. We all realize that it will not be too long before a power grid is necessary across the whole country. We know we are in desperate need today of a national highways program. What about the tax sharing problem? I am sure the Minister of Finance realizes this better than any of us in the house at this time.

If we are going to have unity—and I mean unity of purpose—among the different levels of government in this land, if we are going to avoid the faux pas and cost to the taxpayers caused by the bumbling and the rivalries between different levels of government that go on at the present time; if we are going to avoid a potent source of friction between provinces and the federal government; if we are to make the whole machinery of government run smoothly at all levels in Canada, then I say a department of federal-provincial affairs within this government is a necessity.

I therefore call on the government to show their initiative in setting up such a department in order that it will save us the distress and the problems that face us at the present time with regard to the various pieces of legislation I have mentioned. We need only consider the budget to realize the problems that have been raised. Certainly the problems that arose out of the budget as they related to the tax on construction materials would have been avoided altogether, I am sure, had there been a little consultation among the

people who were in the know, and who understood the problems that would inevitably have arisen and which we know have been brought about.

Therefore, Mr. Chairman, I would urge the government to take action along this line in order to bring about the efficient operation of our government and the more efficient and effective spending of our tax dollars.

Mr. Horner (Acadia): Mr. Chairman, I would like to ask the hon. member one quick question, if I may. While I agree with much of what he said with regard to the jet training base, he referred to one single provincial government in Canada having blocked the Canada pension plan. I wonder if he would enlighten me and other hon. members as to which single government he was referring to.

Mr. Thompson: Mr. Chairman, I was referring to the remarks made by the Minister of National Health and Welfare just the other day, when she said that it depends upon the provincial government of Ontario whether they are going to be able to go forward with the Canada pension plan at all.

Mr. Horner (Acadia): I am in slight disagreement with the hon. member. I think there is more than one, and I am glad he has enlightened me as to which one he thought it was. I thought it was Quebec.

Mr. Thompson: I was referring to a specific instance, Mr. Chairman, and I am correct in that reference. If there are other provinces so involved, then the hon. member can make his own speech about them.

Mr. Weichel: Mr. Chairman, in speaking on this interim supply motion I feel it my duty as member of parliament for Waterloo North to express my views and those of others in the house on behalf of my industrial area and the surrounding districts, especially with regard to the designation of depressed areas which was so well explained by the hon. member for Wellington South.

The Minister of Industry has been advised of the storm of regional protest by a protest delegation which came to Ottawa last Friday. This delegation was arranged by my friend and neighbour the hon. member for Wellington South, whose city of Guelph was first affected in our area by the designation of certain industrial centres as "depressed" or "slow growth" areas. The method being followed by this government in applying these regulations is typical of the method they have followed in other fields, such as the pension plan. There is a lack of consideration and consultation. Under the previous government, experts were sent into these areas to be designated as labour surplus areas. These experts consulted with municipal authorities; they consulted with the officials of the national employment service; they talked to industrialists and businessmen.

The present government has not seen fit to follow this procedure. As usual, they are in too much of a hurry to do the job properly. As a result we have had the same confusion, misunderstanding and complaints surrounding the application of this measure as we have had with such measures as the municipal loans program and the winter works program. It is surprising that this government does not seem able to undertake the most ordinary and routine administrative responsibilities without botching up the job. When they bring in legislation, they cannot get it accepted. An example of this, of course, is the budget, with regard to which they had to withdraw, retreat or revise their original plans.

With regard to depressed areas, these are important measures brought forward by the Waterloo and Kitchener city councils as well as many others in my area. Such proposed legislation could, and will, affect the economy of our country. It is impossible to get business by panic methods. Evidently the watchword of this government is "scramble". They scrambled up the municipal loans program; they scrambled up the pension scheme; they gave us a scrambled budget, and now they are scrambling up this distressed area measure. Everywhere it has been applied, it has caused distress.

Consider the situation in Brantford, Guelph, Kitchener, Galt, Waterloo, Hespeler, and my home town of Elmira. I am sure that if the hon. member for Waterloo South were here he would explain the situation in this way, as would the hon. member for Wellington South.

If there had been even a minimum of consultation with local authorities this situation would not have arisen. There was none of this trouble with the previous Minister of Labour. There were no complaints from the provinces; there were no complaints from the municipalities. The present government set up a new department to handle things formerly handled by the Minister of Labour, together with his other duties. The result has been only to add to the confusion. During the debate on the measure to appoint a Minister of Industry I suggested that this minister look after this department and not try also to cover the work of defence production. After seeing what has happened during the last two or three weeks I believe my suggestion at that time was a good one and the fears I expressed have become reality. There should be one job for one man.

My complaints do not originate with the opposition. There is no obstruction here. These

are complaints originating with responsible municipal and civic bodies, people who have no partisan axe to grind, people who have an interest in the prosperity and welfare of their particular municipalities. These are people who feel that a decision such as that designating a distressed area in my district and other places, without consultation, is doing damage to the Canadian economy at the provincial, municipal and national levels.

Other legislation that has brought criticism is shortening the season for the winter works program by six weeks. Mr. Chairman, they have courses with essentially the same school program as the former government, but with no new schools being built this winter. The tax on building materials was vigorously protested by the Kitchener-Waterloo home builders association and other people across Canada. All these things, rather than helping the economy are making it that much more difficult for provinces and municipalities to cope with their problems.

Resolutions from the twin cities mayors and councils, and others in my area, have been sent to the Prime Minister, the Minister of Industry and other members in the House of Commons. These resolutions have strongly opposed the announced intention of the government of Canada to include the city of Brantford as a designated depressed area.

While agreeing in principle with the necessity of some type of assistance for fully qualified depressed areas, these councils oppose the designation of Brantford as a depressed area, which designation is apparently based on unemployment statistics in the past, with no other factor being considered, including present and future employment potential.

Further, these councils feel that the other designated depressed areas in southern Ontario should be revised to include only those making convincing representations to the federal government and proving actual distressed conditions. The Kitchener-Waterloo *Record* of Tuesday, October 2, 1963, in an editorial had this to say:

> Seven municipalities in the Grand River valley complex are combining to battle the federal government on its recent designation of Brantford as a distressed area. They are afraid they will lose industries to Brantford under the special assistance offered to plants to locate in the officially named area. The opposition is understandable.

Mr. Chairman, there is no doubt in my mind that such legislation would rule out future fair competition for industry, and in such industrialized areas as Waterloo North and Wellington South, where progress and stability are combined, this would be disastrous. May I ask the Minister of Industry to give this matter a second look—yes, a very serious second look.

Mayor Bauer of Waterloo has summed up this criticism with a sound explanation. He said he could not understand why Brantford is classed as a distressed area because two industries from there are advertising in the Kitchener-Waterloo *Record* for labour help. Mr. Chairman, surely such remarks should make the minister sit up and take notice regarding this serious problem.

Mr. Prittie: Mr. Chairman, may I use this opportunity to bring to the attention of the committee, in particular to the attention of the Minister of Citizenship and Immigration, a matter which affects several thousand people in this country. I refer to the fact that a great many immigrants to Canada are denied citizenship because of the arbitrary power given to the minister by section 10 of the Canadian Citizenship Act. Not only can the minister, one man, by himself deny applications for citizenship but, what is worse, he does not have to give any reason for his denial. It seems to me that this is arbitrary authority of the worst kind and runs counter to what we generally consider to be the best principles of British justice.

There are undoubtedly reasons for denying citizenship to some persons. They may not have learned either of our two official languages or they may have criminal records, which it seems to me constitute valid reasons for denying citizenship. But we know that persons are denied citizenship because of their membership in certain social and political organizations, and it is about this that I wish to speak at the moment. This was admitted a year ago when the then minister of citizenship and immigration replied to a question put at that time by the hon. member for Kootenay West. Here I quote from a news story which refers to the reply given by the minister to the hon. member. It is dated April 5, 1962, and is a United Press dispatch:

> The federal government has disclosed that membership or association with organizations believed to be subversive could bar new Canadians from obtaining citizenship.
>
> Immigration minister Ellen Fairclough, in a written reply to a question asked in the Commons, said such membership or association was taken into consideration when deciding whether applicants had "an adequate knowledge of the privileges and responsibilities of Canadain citizenship."
>
> Mrs. Fairclough revealed that from January 1947, when the citizenship act came into force, until January 1 last 3,317 applications for citizenship had been rejected and 582,299 granted.

As far as I know, there has never been published a list of those organizations considered to be subversive. In this respect the government of the United States is more forthright than we are. They do publish such a list. I do not know which persons determine which organizations are considered to be subversive and undesirable, but at least a new

immigrant to the United States knows where he stands. If the Canadian government authorities in charge of these matters feel that certain organizations, political as well as social, are subversive, then I think we ought to know about them. Perhaps we should go further: if they are undesirable and subversive they should be made illegal. I would remind you, Mr. Chairman, that as we stand at the moment even the communist party of Canada is not an illegal organization. But the fact is that citizenship is denied people because they belong to certain organizations, and we are never told what these organizations are.

I complain, Mr. Chairman, that the minister is vested with arbitrary power. To make matters worse, there is no appeal from his authority. Over 3,000 persons have been refused citizenship since 1947, and we assume that a great many of them have been denied citizenship because of membership in certain organizations. Many of these persons have resided in Canada for many years, some for 40 or 45 years. There are many specific cases here which could be cited. If a person is not ready for citizenship after all that time in Canada, then perhaps the logical thing to do is to send him out of Canada.

I believe there has been general satisfaction with the new Minister of Citizenship and Immigration. A number of members have told me that he has given very sympathic hearing to individual cases involving immigration and citizenship matters—cases which members have taken to him. In fact, I understand that he has personally reviewed many cases where he felt an injustice had been done. But I think that we need more than a sympathetic minister; I think we need a change in the procedure. I think we should have a removal of the arbitrary power of the minister. I also feel, along with that, that there should be a right of appeal from a denial of citizenship, and preferably a right of appeal to a judicial body, to a court, rather than to an administrative agency. And it would follow that when Canadian citizenship is denied, a person should know why he is being refused.

The present minister was in Vancouver recently, and on September 23 spoke to the Chinese community there. As hon. members know, the Canadian Chinese have suffered certain discrimination regarding immigration. The minister seems to be taking a sincere interest in removing these discriminations, and I should like to conclude with a short quotation from his speech to the Chinese community of Vancouver at that time. He said:

> I have been distressed by the accusations of discrimination which have reached me. If prejudice exists in immigration matters it must be eliminated. True Canadianism permits no discrimination.
>
> All citizens are equal in rights and responsibilities, regardless of ethnic origin or creed. It is with this view in mind that I am most sincere in my effort to weed out discrimination and prejudice.
>
> You can count on me to work in the interests of all ethnic groups and to seek a fair and just solution to the vexing problem of Chinese immigration to Canada.

[Mr. Prittie.]

I like the attitude of the minister in these matters, and my only purpose in speaking this evening is to urge on the minister and his cabinet colleagues a review of this situation whereby arbitrary power is held by the department to refuse citizenship, and to set up fair procedures and let people know where they stand. I think that we have to do away with the type of system we have at the present time, where an informer can inform the department of the activities of certain persons but never has to face the person upon whom he has informed. I would appreciate very much if the government would take under consideration a reform of the procedures for applications for citizenship.

Mr. Munro: Mr. Chairman, I should like to inform the hon. member for Burnaby-Richmond that I will certainly bring his comments to the minister's attention. I am sure the minister would want me to indicate his gratitude for the kind references he has made.

[*Translation*]

Mr. Belanger: Mr. Chairman, now that we come to the discussion of an expenditure of public funds, and particularly the distribution of these outlays, may I call the attention of the government to the Charlevoix riding which I have been representing for about a year now.

If I call the attention of this house to that county, it is because, in my opinion, it has been forgotten in the last few years in turn by the members of the Conservative and the Liberal administration.

In the course of a speech made during the early part of this session, an hon. member gave us a poetical description of the charms and beautiful scenery of that county, for which I congratulate him.

But, Mr. Chairman, what is spoken of a great deal less, because it is truly shameful for the older parties which are responsible for it, is the economic situation with which the people of that county are trying to cope desperately but without much success.

I can tell the house that, as the member for that riding, I have inherited a dreadful situation, owing to the inefficiency of the previous governments and particularly the representatives of that county.

The county of Charlevoix is one of those in the province of Quebec which suffers most

from that terrible plague called unemployment. That is why I request that this county be included in the designated areas in order to receive special economic benefits.

In that part of the riding which, geographically, makes up the county of Charlevoix live about 8,000 families. The statistics published during the month of March by the La Malbaie unemployment insurance office, indicated that there were then 3,000 unemployed.

That also means hardship, worry and lower standards for those families who have not deserved that fate and I wonder how much longer those people will accept placidly to remain in such conditions.

The economic situation in my county began to go downhill in 1954 and has not improved since, although we have had in office during that period a Liberal, then a Conservative and again a Liberal government.

But what is most urgent today is not so much to determine who is responsible for that situation but rather to face the facts and try to find a solution to the problem.

Many things would have to be done to revive industry in my county. To mention but a few, may I be allowed to say that one reason why trade is slowing down more than anywhere else in that county and why very few industries are going there is that we have no modern or speedy means of transportation to encourage them to do so, apart from the fact that that county is located far from the large centres of the province, in spite of the fact that it has the shortest road to reach the territory where lies the greatest potential in ore and other resources of the province and probably of all Canada as well.

To cope with the situation, and although I do not pretend to be an expert in such things, may I be allowed to suggest that the government should consider the possibility of making highway 15, which goes from Quebec to Seven Islands, and even beyond, a section of the trans-Canada highway. I am sure that it will be proven in the future that such a section would be more useful to Canadians than the present laying-out of the highway on the south shore of the St. Lawrence. Nobody can deny that the territory located on the north shore of the St. Lawrence river, from Quebec city to Labrador, includes many times the land located to the south over the same distance.

Moreover, that territory's natural potential constitutes the determining factor of future economic activity as, up to now, enough of it has been discovered to prove its extraordinary importance.

It is only logical to reverse, in a suitable way, the present trend which causes the industrial, commercial and tourist traffic to make use of the south shore in order to reach the north shore.

Another suggestion, which could be put into practice immediately would be the removal of the tolls collected for crossing the Saguenay, as they are a hindrance to trade. I have not tried to find out whether these tolls are warranted or not, but I had occasion to ascertain that trailer-trucks had to pay up to $9 to cross the Saguenay, which is about a mile wide.

I suggest consequently that the government should enter into some sort of an agreement with the company concerned and subsidize it, so that these rates could be cut down or altogether abolished. Besides, the government should make a few inquiries about the material and financial possibilities of building a bridge across the Saguenay.

Under the ARDA program, the government would be wise to take stock of the land under cultivation at the present time, so as to decide upon the best methods. In my part of the country, the farmers eke out a bare existence, mostly because there are very few transportation facilities towards the marketing centres.

The harbour facilities in Charlevoix county should be studied and the necessary improvements brought about as soon as possible. Thus, one would kill two birds with one stone, by allowing hundreds of families to find work and, at the same time, by promoting trade in that part of the country. Many harbours and wharves need improvement because they are dilapidated and represent a loss of money for the government. Some money was rightly spent at those places but it would not be reasonable to let them deteriorate and it would be illogical to waste money for their destruction as it is presently done in the case of the wharf at Port-aux-Saumons.

I am thinking for instance of the wharf at Pointe au Pic, the wharf at St. Simeon; those I will only mention to say I appreciate the fact that this government is now spending money appropriated last year for rebuilding. But there are other small wharves such as those at St. Fidele, Ste-Irénée, Baie Ste Catherine and many other places and there are many wharves which could be useful to facilitate shipping and stimulate the tourist industry. But what is most urgent, in my opinion, is to build a deep water wharf at Baie St. Paul, because this would help the development of the mining industry. An iron mine is now in operation on a very small scale but its production would be increased if the necessary facilities for shipping the

ore were available. I am informed that if thorough examinations were made other places could be found. On that same subject, concerning the mining industry in my riding, the government should look for means to promote research and prospecting because I have often been told that the rock formations in the Charlevoix hills indicate possible important mineral deposits.

Another way to remedy unemployment in that depressed area would be to promote the tourist industry. There has been a good start, part of which was the building of a landing field at Ste Irénée, which the government should keep in good shape during the winter season. Charlevoix is well known for its unique scenery, its lakes full of fish, its mountains and forests, where one can hunt fine moose and deer—in the proper season, of course. I trust that if the government made the necessary publicity, the tourist industry would develop considerably.

There is another point which I would like to mention. An attempt is being made now, at great cost and with incomplete success, to maintain navigation and keep the Quebec ports open for the whole winter season. With regard to this matter, I would have a suggestion for the Minister of Transport (Mr. McIlraith). He should send some engineers to examine the deep water wharf project undertaken at Beaupre by St. Ann Paper Limited. This wharf, though yet incomplete, might, I think, easily be acquired from the said company and completed, so as to give to the district and city of Quebec a deep water wharf where navigation might be kept open all winter, because the river never completely freezes at that point which is only 20 miles off the city of Quebec. Ships of all sizes might load and unload there all year round. Then, highway 15 becoming the trans-Canada highway, and with the railways serving the district, we would be able to solve that almost insoluble problem of winter navigation in the port of Quebec.

Those, Mr. Chairman, are some suggestions I am making to the government to help it forget the errors of the former administrations which made of the county of Charlevoix one of the least developed areas of the province of Quebec.

I even urge the government to act as quickly as possible in order to rectify the intolerable economic conditions now prevailing in my county of Charlevoix. The suggested projects are by no means all those which the federal government might carry out in my riding—they are mere indications.

To come back to the estimates, I am surprised to see that, in spite of several economists being present—

[*Text*]

Mr. Nugent: On a point of order, Mr. Chairman, I believe there is a rule of the house against reading speeches. The hon. member is obviously so doing and, not only that, he is doing it in a manner that makes it look like he has never seen it before. He might at least give us the name of the author.

[*Translation*]

The Chairman: The hon. member knows that as a general rule, it is not permitted to read a text or a speech. But every hon. member might have realized that on several occasions, speeches have been read and the chairman of the committee, until now, has been lenient for the speakers who were out of order in that way.

But hon. members are allowed to follow notes to refresh their memory and I would suggest to the hon. member to do so.

Mr. Belanger: Mr. Chairman, I accept your ruling. I was saying that in spite of the presence of several economists in the Liberal cabinet, they have not been able to avoid what the Conservatives were so much blamed for, that is a deficit. I think it could be said on that matter that the mountain brought forth a mouse. The present budget bears out what we have said during the last election campaigns, that people had nothing to lose in voting against the old parties because they used the same tactics, and followed the same policies.

Again this year, in spite of all the shoutings by the Liberals against deficits, they are also headed for another deficit.

I do not object to a deficit budget in the framework of the present economic system because I think human beings are more important than money. On the other hand, I realize, like everybody else, that we cannot keep going deeper into debt year in and year out. There must be a more proper way than the one in use at present, that is having no alternative but to go into debt or let people starve to death.

Mr. Chairman, we have heard all sorts of things concerning money during the last election campaign. On one side, the present hon. Minister of Justice (Mr. Chevrier) told us over the radio and on television: "Do not vote for Social Credit, for it would be dangerous. The monetary theory of its adepts was never tried anywhere, has not asserted itself, and it would not be clever to take a chance in such a venture." Sometimes, only a few minutes after the Minister of Justice, the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) would appear on television, and shout himself out of breath, saying: "Do not vote for Social Credit, for that theory was tried in Germany, Hungary and France and

resulted only in inflation and poverty." I will not say which one of the two lied to the public at that particular moment, but certainly one was lying, for one said exactly the opposite of the other.

That is why we try to impress upon the hon. member for St. Jean-Iberville-Napierville and on the Liberal party generally that when you want to increase purchasing power, that does not mean printing dollar bills, when they took such pains to have the people swallow that.

Besides, we never spoke about having dollars printed in order to increase or facilitate credit, and whoever believes it is an idiot and a liar, and whoever preaches to the nation that such is our party's policy becomes a slanderer.

That state of affairs does not astonish me so much, since I read an article in the *Commercial and Financial Chronicle* of April 23, 1959, the author being the United States secretary to the treasury, Mr. Robert B. Anderson. I quote:

> Fiscal matters are not clearly understood, even by some people in high places who are generally well informed in other fields. I found that out one day when a man who had come to see me at my office told me: You talk, Mr. Secretary, about the danger of monetizing the debt. You know, I simply do not believe in that danger, probably because I do not clearly understand what monetization means.

Here is the explanation given by the Hon. Robert Anderson:

> I gave my visitor the following reply: Let us suppose that I want to issue $100 million in cheques starting tomorrow morning but that the treasury is empty. If I called a bank and said: "Would you lend me $100 million at 3½ per cent payable in six months, if I sent you a promissory note?", the banker would reply: "Yes, certainly, Mr. Secretary".

Where would he take those $100 million to be credited to the account of the United States treasury? Out of somebody else's account? Certainly not. He would merely create that sum of money—provided he did not cut into the prescribed reserves—by crediting it to our account and by accepting the government's note as an asset. Once I had finished making out cheques for $100 million, the operation would have added that amount to the money supply. That is monetization about to the same extent as if I were to call the bureau of engraving and printing and ask them to print $100 million worth of bills and to send them to me tomorrow at the latest.

As you can see, Mr. Speaker, according to the United States secretary of the treasury, in that case, $100 million have actually been put in circulation without a single new dollar having been printed. All that had to be done was to ask a chartered bank to monetize part of the real credit value of the United States with the promise that the sum would be paid back with a 3½ per cent interest. Obviously, the bank which loaned those $100 million simply created this money.

This is what is called creating money. Now, I ask most sincerely all members of this house to tell me, first, why chartered banks are entitled to create money, which they do in fact, when the Bank of Canada cannot do so.

I ask them, and I challenge anybody to prove to me, how $10,000, $100,000 or $100 million created by the Bank of Canada will cause more inflation than $10,000, $100,000 or $100 million created by the chartered banks. I challenge anybody to show me the difference.

This method has already been suggested in this house. It consists for the government to control the issue of money, to increase slowly, gradually, the percentage of liquid money that the chartered banks must have in relation to the credit they are entitled to create. In other words, credit created by the banks should decrease in the same proportion as the credit created by the Bank of Canada. But the difference in the process relating to the issuance of credit created by the Bank of Canada and the charter banks would be tremendous because, instead of encouraging production directly by that credit, we could encourage consumption which, naturally and unavoidably, would finance that production.

If the government would enact the necessary legislation for the adoption of this process, it could do a lot which it is impossible to do under the present financial system. To begin with, because this is most urgent, it could restore to the provinces—especially to the province of Quebec—not only 25 per cent of the estate tax but the totality of that tax, because if the present government does not take immediate action in that field, I am sure it will be too late four years from now, and confederation will unfortunately break up before then. In saying this, I am not uttering a threat; I am merely doing my duty in pointing out signs of increasing dissatisfaction that I note every day among French Canadians.

Mr. Chairman, I do not want to go on outlining the benefits we could give to the Canadian people, and especially all the good we could do in order to strengthen confederation ties, if the government would use the Bank of Canada to finance its projects and get the economy going. After all, the rights claimed by French Canadians are more economic than racial or religious. However, I cannot conclude before reminding the government that our children also are entitled to the recognition of their rights and this will

come about only when, according to its promise, the government will increase family allowances.

Mr. Gregoire: Mr. Chairman, during the debate on interim supply, we heard a while ago—and I think this question should be brought up—about the acquisition of nuclear weapons by our country.

Many events took place during the summer. First there was the signing of a nuclear test ban agreement by the big three: the U.S.S.R., the United States and England, and that agreement was approved and signed by several other countries, including Canada. At that time, people were talking of an easing throughout the world and it was said that the cold war was getting hot.

Barely a few days later, our country, in turn, signed with the United States a treaty or a commitment to acquire and stock nuclear weapons on our soil.

Mr. Chairman, I want to point out the nonsense of those two actions. Canada cannot proceed with nuclear tests. Canada is entirely unable to make tests today, and yet she signs the agreement. Whether she signs it or not does not change a thing. Canada never made nuclear tests, she never exploded a nuclear or atomic bomb. She cannot do it. She cannot do it, but the Prime Minister nevertheless signs the agreement. What obligation does that impose on him? He will not explode nuclear weapons. And yet he signs the agreement. He has no risk to run, and he says: "Here, we take part in the easing in the world". He cannot do otherwise, because he is unable to explode a nuclear bomb.

But what he could have done for the easing of the situation, the part he could have played to warm the cold war, was to refuse nuclear weapons. He was able to do that, but he did not do it. He says he will do what he cannot do, but he does not do what he can do. That is exactly what our present government did. It acquired nuclear weapons and it is ready to stock them on Canadian soil.

Well, Mr. Chairman, only a few days after Canada committed itself to acquire nuclear weapons and to store them on our territory, I had the opportunity to attend the annual session of the United Nations. I must say that in the climate prevailing at that time, when every country of the world was talking of eased tension, Canada cut a sorry figure indeed, since our country was the only one in the world to have taken a further step in the direction of nuclear weapons and world destruction, by accepting such weapons on its territory. All the others were talking of disarmament and Canada was the only one, since the signing of the Moscow treaty, to acquire nuclear arms.

[Mr. Belanger.]

What was our position at the United Nations before the other countries of the world? I heard the Prime Minister of Canada make a fine speech, but I could not help thinking: those are only words, words and words, but nothing practical, nothing real, except the acquisition of nuclear weapons by our country and their storage on our territory.

Moreover, Mr. Chairman, two days later, I heard at the annual session of the UN the day after President Kennedy proposed to Russia to co-operate and set up a joint Russian and American expedition to the moon, the minister of external affairs for Dahomey said in very simple terms: "Americans and Russians, when you go up to the moon hand in hand, just ask yourselves then if you have performed your duty towards your brothers remaining on earth." And he added: "For us, the greatest country is not the one who will first land on the moon; for us, Africans, the greatest country in the world is not the one who will have the most destructive bombs, but the greatest country will be the one which will have done the most on earth to fight illness, ignorance, hunger and destitution throughout the world."

Furthermore, Mr. Chairman, there was another member of the house between the Prime Minister and myself and I could not resist looking at him and saying: "That is a role suited for us, a role that we can play. We could fight sickness, ignorance, hunger and misery throughout the world. That is a role cut out for Canada. It is a role for Canadians because we can co-operate in that field instead of trying to find out who will stockpile the greatest number of nuclear bombs in our country, a military role which will inevitably lead us to use those means of destruction one day. On the other hand, if we help other countries and the United Nations to fight sickness, ignorance, hunger and misery, as all other countries advocate, then we will be acting as human beings who are more concerned with the welfare of their fellow men than with knowing whether hay, wheat or barley grows on the moon.

Mr. Chairman, I notice it is ten o'clock.

[*Text*]

Mr. Pickersgill: Mr. Chairman, before you leave the chair I wonder if I might appeal to the committee to see if there would be any possibility of getting interim supply completed this evening because in order to carry on the business of the country, in order to pay the public servants, it is necessary that this money be voted. We have spent the whole of one day on this subject now, and I wondered if there would be any possibility of getting co-operation to complete interim supply this evening.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I must inform you that we do not intend to end the debate on interim supply either tonight, tomorrow or as long as the privileges and elections committee has not remedied the ridiculous and illogical situation which prevails in this corner of the house. We tried to do it and it was supposed to be done as soon as possible. Last Monday, the house asked that the situation be settled but it has not yet been done. When the committee met this morning, I asked that a solution be found to the problem but nothing was done about it. A resolution was introduced calling for a new meeting of the committee tomorrow morning but it was voted down. The committee is to meet Monday morning. Because of that, the leader of the Ralliement des créditistes and I will have to make a special trip by automobile at that time to be here for ten o'clock. Well, we are not ready to end the debate tonight.

[*Text*]

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: I just wish to ask the house leader to inform us whether he intends to continue with interim supply tomorrow?

Mr. Pickersgill: Yes. I think the government would have no option but to make every effort to get the necessary funds to carry on the public business of the country which is, of course, the first business of this house.

It being three minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, October 4, 1963

The house met at 11 a.m.

PRIVILEGES AND ELECTIONS

CONCURRENCE IN FIRST REPORT OF STANDING COMMITTEE

Mr. Alexis Caron (Hull) presented the first report of the standing committee on privileges and elections, and moved that the report be concurred in.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS

ANNOUNCEMENT OF REAPPOINTMENT OF MR. DONALD GORDON

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I wish to make an announcement regarding the chairmanship of the board of directors of the Canadian National Railways. Mr. Donald Gordon has been today reappointed to that position by an order in council passed pursuant to sections 6 and 8 of the Canadian National Railways Act, and in accordance with an understanding referred to by him in an exchange of correspondence with me, which I would like to read to the house.

My letter to Mr. Gordon is dated October 2, and reads as follows:

Dear Mr. Gordon:

Some time ago, when I discussed with you the question of the expiry of your present appointment on September 30, you indicated that while reluctant to bear any longer than necessary the heavy responsibilities that you have now shouldered for many years, you were also concerned about the completion of certain work to reorganize and strengthen the railway.

The government now invites you to complete that work by accepting reappointment as chairman and director. We believe that this would be not only to the advantage of the railway but also of the country.

In asking you to accept this reappointment to the position which expired last Monday, I wish to express to you the great appreciation of the government for the distinguished and tireless service that you have already given as chairman and president of the Canadian National Railways.

Mr. Gordon's reply to that letter on October 3 is as follows:

My dear Prime Minister:

I have received your letter of October 2 inviting me to continue as chairman of the board of directors of Canadian National Railways.

As you mention in your letter, I am anxious to be relieved, when it is possible, of these heavy and varied responsibilities which, I have learned, go beyond the field of railway management. I am nevertheless also concerned, as I have already told you, with seeing through to completion the work referred to in your letter.

This work should be finished in about a year and a half, in which case I will, in good conscience, ask to be released from the duties which I have always done my best to perform in a way which would be of benefit to the railway and to the country which I have now had the great honour to serve for many years, in war and in peace.

In accepting reappointment on the understanding above mentioned, I would like to recall the exchange of correspondence we have had on certain unfounded charges, which have distressed me greatly, that I have discriminated against or am unfair to French speaking employees of Canadian National Railways.

In this connection, I would remind you of the evidence I have recently sent you which should dispel any feeling that in Canadian National Railways we do not sufficiently recognize the claims of French speaking Canadians to posts of responsibility or the importance of bilingual qualifications in the holding of such posts.

Yours sincerely,

D. Gordon,
President.

I would be glad to table the order in council, this exchange of correspondence and the evidence which Mr. Gordon refers to in his letter to me, namely the letter he has written to me on the subject of certain charges made against him and a memorandum on that matter.

Mr. Speaker: Does the house agree?

Some hon. Members: Agreed.

[*Later:*]

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of Justice. Has the minister agreed to reappoint Mr. Donald Gordon only on condition that he would succeed him, in a year and a half, when the present chairman will retire?

[*Text*]

Some hon. Members: Oh, oh.

Mr. Mandziuk: You have not denied it. Deny it.

[*Later:*]

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the right hon. Prime

Minister. Could he tell the house whether the cabinet has unanimously recommended that the term of office of Mr. Donald Gordon as chairman of the C.N.R. be renewed?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I gave a description to that kind of question yesterday, and it certainly applies to this one.

Mr. Pigeon: It is a proper question. I take it that you do not want to answer. You are afraid to answer.

[*Later:*]

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, my question is directed to the right hon. Prime Minister.

In view of the disagreement which preceded the reappointment of the president of the C.N.R., could the Prime Minister assure the house that, pending completion of his program over the next 18 months, the incumbent will see that fair consideration is given to the representations of the two major ethnic groups in Canada in the administration of that important crown corporation?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I have already made a statement on this matter, and if the hon. member would read the document which was tabled I think he would derive some reassurance on this score.

SENATE AND HOUSE OF COMMONS ACT

AMENDMENTS PERMITTING REFUSAL OF INCREASED INDEMNITIES

Mr. Speaker: I have received a letter from the hon. member for Quebec-Montmorency (Mr. Marcoux) in which he indicates that he must be absent today and requests consent of the house for the hon. member for Chicoutimi (Mr. Côté) to move the following motion on his behalf, seconded by the hon. member for Rimouski (Mr. Ouellet). Does the house give consent accordingly?

Some hon. Members: Agreed.

Mr. Maurice Côté (for Mr. Marcoux) moved for leave to introduce Bill No. C-99, to amend an act to amend the Senate and House of Commons Act and the Members of Parliament Retiring Allowances Act.

Some hon. Members: Explain.

[*Translation*]

Mr. Côté (Chicoutimi): In the absence of the hon. member for Quebec-Montmorency who had to attend a funeral in his riding, I am pleased to introduce this bill on his behalf. I shall read the explanations he had prepared himself for the occasion.

Some time ago, hon. members of this house, with no intention whatsoever of playing politics and in all sincerity, had some serious twinges of conscience about the proposal to increase the allowances paid to senators and members of parliament.

The application of the present legislation would enable them to feel free to refuse such an increase. It would be most unfortunate and immoral, in actual fact, that an act should come into direct conflict with their principles and their conscience.

[*Text*]

Motion agreed to and bill read the first time.

LABOUR RELATIONS

STRIKE OF LONGSHOREMEN—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

Hon. Michael Starr (Ontario): Mr. Speaker, under standing order 26 I ask leave to move the adjournment of the house in order to discuss a matter of urgent national importance, namely the threat to the flow of grain shipments on the great lakes and the St. Lawrence seaway due to a lack of any effective action being taken by the government of Canada which has had its culmination this morning in the strike of longshoremen in the St. Lawrence river ports.

This is a matter of urgency and national importance. The disruption of grain shipments to the U.S.S.R. which will result will mean serious and possibly irreparable damage to Canada's economy as a whole.

Mr. Speaker: The hon. member for Ontario, seconded by the hon. member for Qu'Appelle, has presented a certain motion asking for leave to adjourn the house under standing order 26 on the grounds of great urgency. May I remind the house that "urgency within this rule", standing order 26, "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". That is Beauchesne, fourth edition, paragraph 3 of citation 100. Also:

The reason for allowing such a motion... is to afford members an opportunity of discussing a definite matter of urgent public importance which they could do in no other way.

That is Mr. Speaker Black in the *Journals* of the house, March 31, 1931, page 50.

The urgency of debate is something that has to be considered. ...In my experience it has never happened in the house that while the speech from the throne was being currently debated a motion for the purpose of discussing a definite matter of urgent public importance under the new standing order 26 was agreed to.

Perhaps that is a little bit off the rails; nevertheless it deals with the same subject. That is Mr. Speaker Beaudoin, *Hansard,* January 11, 1956, page 20.

On June 27, 1961, as will be found on page 7105 of *Hansard,* Mr. Speaker Michener expressed a similar view with regard to a motion made under standing order 26 during the budget debate, when he said:

> It seems to me that it is a matter which could very readily be debated in the budget debate.

Later on the same page he added:

> "I accept the proposition that this is an urgent and important public matter to which the Leader of the Opposition draws attention. It is a definite matter of public importance. However, that is not the criterion in determining whether standing order 26 should be applied. The criterion is whether there is an opportunity to debate this matter in an effective way."

He concluded his remarks on page 7106 by saying:

> ...I am not satisfied that there is not ample opportunity to put before the house and the government all the considerations that apply to this important matter in the debate which will follow immediately after the calling of the orders of the day.

Therefore he rejected the request of the then leader of the opposition. For similar reasons, in view of the fact that interim supply will follow within half an hour, let us hope, it seems to me there is ample opportunity today to discuss this urgent and important matter. Therefore I do not feel that the motion is in order at this time.

Mr. Starr: May I just say a word on a point of order. I realize there is ample opportunity to discuss any matter one wishes on interim supply. However, it has been said by the members of the Social Credit party, particularly by the hon. member for Lapointe, that they intend to debate continuously the question of their seating in the house and to take up all the time for that purpose. Therefore sufficient opportunity would not be provided to discuss this very serious matter of national importance. It was indicated, rather, that the Social Credit members would continue the debate on interim supply and speak about their seating arrangements in this chamber. Consequently, in view of that statement, we felt that we should move the adjournment of the house in order to give a proper opportunity for discussion of this very serious matter.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I should like to clarify one point that the previous speaker made. He said it has been stated by members of the Social Credit party that they are planning to carry on this debate. The members of the Social Credit party have not said so. The hon. member for Lapointe may have made such remarks, but it is not our intention to do that because I believe it is the customary practice that interim supply pass with the least possible debate.

However, in so far as this particular issue is concerned, while we are still discussing the interim supply motion and it is our privilege to speak on any particular subject, it seems to me there is ample opportunity to debate this very important issue relating to the strike which has been called this morning. I feel, therefore, that the arguments which you have made, Mr. Speaker, are the logical ones.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, certainly I speak for 13 members, which is a larger group than that which the previous speaker represents. We do not intend, on this motion for interim supply, to speak only about seating arrangements in this chamber, so there will be an opportunity to speak about this strike in Quebec and Montreal. We only intend to prolong the debate on interim supply until a decision has been reached, because we do not believe the house should sit as long as this problem has not been solved.

Mr. T. C. Douglas (Burnaby-Coquitlam): Your Honour has agreed that this matter is of urgent importance. The only question is whether or not there is an adequate opportunity for discussing this matter on the motion for interim supply. I submit that any review of what has happened in this debate and previous debates on interim supply would indicate that the tendency is for a member to raise grievances relating to his particular constituency or region; consequently the debate is likely to roam over a very wide field. It seems to me that the longshoremen's strike, affecting as it does large grain shipments and our economy, is of such vital importance that this house ought to devote some specific time to debating that subject.

Hon. J. W. Pickersgill (Secretary of State): I do not really think there is anything that needs to be said, because Your Honour has said it all.

Some hon. Members: Sit down, then.

Mr. Pickersgill: Your Honour has indicated quite clearly that there will be ample opportunity for debate on this subject, and has cited precedents for that statement. Hon. members may choose what they want to debate. There is no restriction, because one speaker has spoken on one subject, upon another member proceeding with another subject. In view of the urgency of carrying on

the country's business and getting supply voted, I feel Your Honour has correctly interpreted the rules.

Mr. Terry Nugent (Edmonton-Strathcona): If I may speak to the point of order, I may say that the only way we can debate this point, which is very important, is to have the government give some indication that it intends to take some action. There is no opportunity to debate government action at this time. I suggest this is a matter that should be before the house, and the government should give some indication that it does not intend to abandon its duty to avert this strike.

Mr. Speaker: I thank all hon. members for their views today, and I hope that within a few minutes we can start discussion of this urgent and important matter.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I wish to direct a question to the Minister of Labour. Since we are confronted by a seamen's strike in Quebec city, Three Rivers and Montreal, this morning, and as the minister has already stated that if the mediation board presided over by Justice Lippe could not prevent the strike, the government intended to take other steps, I wish to ask the minister if he could tell the house what steps the government now intends to take to settle the dispute as soon as possible.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I think we ought to keep this situation in perspective. The strike that began this morning, which has been in effect for only three and a half hours, is fully lawful; it is a legal strike under Canadian law. I want to say further that the mediator is still at work. He is meeting with the parties beginning at ten o'clock this morning, and while he is at work and obviously feeling that progress is still possible I think it would be premature for me to begin to comment in detail on this matter, which comment might affect the successful outcome of this mediation process.

Some hon. Members: Hear, hear.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. In view of the fact that the recommendation of the conciliation board suggesting a 22 cents an hour increase was rejected by both the union and the shipping companies, has any attempt been made to persuade the men to return to work pending the setting up of a conciliation board to review this matter, with the understanding that any increases granted and accepted would be retroactive to the time of the previous conciliation board recommendation?

Mr. MacEachen: The mediator, Judge Lippe, has been advancing, as I understand it, various proposals for the consideration of the parties. The meetings were adjourned last night at midnight; they are to continue today. The mediator has these proposals before the two parties, and while there is a willingness on the part of the two parties to meet and to consider the problem it would be premature on the part of the Minister of Labour or any member of the government to make a statement with respect to government policy that might affect his work.

Hon. Paul Martineau (Pontiac-Temiscamingue): I have a supplementary question, Mr. Speaker. I wonder if the minister can say whether he has taken any precautionary measures to stop the strike from spreading, through sympathy or otherwise, to Atlantic and other ports.

Mr. MacEachen: Mr. Speaker, my understanding is that the situation in Halifax and Saint John has been settled by agreement.

Mr. Terry Nugent (Edmonton-Strathcona): I have a supplementary question, Mr. Speaker. I wonder whether the minister would tell us if he has set a time limit to this mediation, so that failing agreement within that certain length of time government action would be taken. Has he announced or set any time limit?

Mr. MacEachen: I think we have to recognize the dangers to any mediation process in undertaking that kind of action.

Mr. Nugent: I take it the answer is no. Is that the answer?

[*Later:*]

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, I should like to direct a question to the Minister of Labour.

Will the strike of longshoremen in the harbours of Quebec, Three Rivers and Montreal delay the shipping of wheat to Russia?

[*Text*]

Mr. Speaker: May I suggest that question be put on the order paper, if it is necessary.

GREAT LAKES—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Minister of Labour whether Mr. James Reynolds, assistant secretary of labour of the United

States, had talks with Mr. Jodoin yesterday. Was the Minister of Labour or any representative of the Department of Labour present? What is the present position of the discussions that have taken place between Mr. Wirtz, Mr. Reynolds, Mr. Jodoin and representatives of the government or representatives of the civil service in this connection?

Hon. A. J. MacEachen (Minister of Labour): To my knowledge, Mr. Speaker, there was no discussion yesterday between Mr. Jodoin and Mr. Reynolds. With respect to discussions generally yesterday, I would say that they have not produced any clear conclusions as of this moment.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I ask a supplementary question. This morning's *Globe and Mail* carries a story that there is a demand for a system of appeals against decisions of the trusteeship, being composed of two members of the C.L.C. and one member of the A.F. of L., and that a tribunal would be set up to which appeals could be made before Mr. Hal Banks could be removed from his position as president of the seafarers' international union. This is quoted as coming from some fairly informed sources. I wonder whether the minister would deny that any such proposal for a private trusteeship is in contemplation.

Mr. MacEachen: Mr. Speaker, I think it would be inappropriate for me at this stage to disclose the details of the exchange of views between the two labour centres, but I assure my hon. friend that on the appropriate occasion I will be very happy to provide him with as full information as is possible on this and other points. However, I do think it is a matter for decision in connection with the congress and the A.F. of L.-C.I.O. initially, and for that reason I do not think I should give details with respect to those exchanges.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I would like to ask a supplementary question. Is not this strike the direct result of an ultimatum Banks laid down to the present government?

Mr. MacEachen: Mr. Speaker, of course I deny quite categorically that the present government has received any ultimatum, and I ask the house to accept that denial as a true statement.

NORRIS COMMISSION—INQUIRY AS TO LEGISLATION

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): May I ask the right hon. Prime Minister a question? In view of the statement by the Prime Minister that the legislation concerning the Norris report would be the first legislation brought forward after the resumption of the session, and in view of a statement by the Minister of Labour (Mr. MacEachen) that such legislation would be discussed this week, could the Prime Minister inform the house when that bill will be brought forward?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): This legislation will be considered immediately there is no hope of a satisfactory private settlement.

ROYAL CANADIAN AIR FORCE

PENHOLD, ALTA.—REPLACEMENT AS JET TRAINING BASE

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 Minister of National Defence. In view of the wasteful and apparently illogical decision regarding the Penhold jet station, and the well defined rumour that the Minister of Agriculture has taken particular interest in this matter—

Some hon. Members: Order.

Mr. Diefenbaker: Oh, I know it hurts. In view of this, is the minister prepared to give consideration to having this matter brought before the defence committee so that witnesses can be called and this whole illogical situation looked into?

Some hon. Members: Hear, hear.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I reject categorically the implication that the Minister of Agriculture had anything whatsoever to do with this decision. It was strictly on technical grounds, and once the facts are examined closely the decision is obvious. The decision to commence jet flying training at Penhold was taken by the government of the right hon. gentleman opposite, and if we followed in his footsteps for a few months I think it is no credit to us. As soon as we reviewed the facts, however, it was obvious that it was an erroneous decision and we acted just as quickly as we possibly could without wasting any more of the taxpayers' money.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Following in the footsteps of the previous government has been the course of this government in practically everything in which it has been successful.

Some hon. Members: Hear, hear.

Inquiries of the Ministry

Mr. Diefenbaker: I ask the minister, is he prepared to permit this matter to be placed before the committee on defence so that the facts can be ascertained?

Mr. Hellyer: Mr. Speaker, if the defence committee would like to have the technical briefing which demonstrates beyond peradventure that the decision we have just taken is the correct one, we would be delighted to supply the witnesses.

Mr. Diefenbaker: And witnesses would be called?

Mr. Hellyer: Absolutely.

AGRICULTURE

RAPESEED—SUGGESTED ALTERNATIVE CROP FOR WHEAT

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, my question is directed to the Minister of Agriculture. Has the United States agricultural attache advised the minister that his country is interested in the Canadian rapeseed crop; and if so, will the minister advise the house of his reasons for not including rapeseed as an alternative crop to wheat for western producers?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I probably neglected yesterday to mention this in my statement as far as growing wheat was concerned. This could also include rapeseed, rye and the feeding of cattle and hogs as well as turkeys.

TOBACCO—REQUEST FOR ESTABLISHMENT OF SUPPORT PRICE

On the orders of the day:

Mr. J. A. McBain (Elgin): Mr. Speaker, I wish to direct a question to the Minister of Agriculture. Have members of the Ontario flue cured tobacco growers marketing board recently visited him, or officials of his department, asking for a price support on the marketing of the 1963 crop of tobacco? If so, is the government giving consideration to putting a price support on this crop?

Hon. Harry W. Hays (Minister of Agriculture): They were in my office this morning at 8.45, and we are giving consideration to their request.

POWER

COLUMBIA RIVER—REPORTED DISCONTINUANCE OF NEGOTIATIONS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. This is my first opportunity to welcome him back from his grand tour of the Columbia. In view of press reports that the negotiations between Canada and the United States would be discontinued for some time with respect to the Columbia river treaty, would the minister inform the house when he expects they will be resumed?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there has been no discontinuance of the negotiations between Canada and the United States on the Columbia river treaty. A meeting was held on September 6. The negotiations are under way. There is no delay being encouraged by either side with regard to this important matter.

Hon. Alvin Hamilton (Qu'Appelle): A supplementary question, Mr. Speaker. I would like to ask the Minister of Northern Affairs and National Resources a question in regard to the Columbia river negotiations. Has the minister reconsidered my request of the early part of this session to give to the house an interim report on the national grid transmission study, and has he now realized that there is a connection between this study and the Columbia river negotiations?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, the hon. member for Qu'Appelle made a request to the house for a briefing on the present situation with respect to long distance transmission. I recall that a statement was made to the house, and I hope it was made when the hon. member was here. I will check that. If it was not a full statement, we will make it tomorrow; otherwise I will draw it to his attention.

TRANS-CANADA AIR LINES

WINNIPEG—TRANSFER OF OVERHAUL AND MAINTENANCE BASE

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, my question is for the Minister of Transport and concerns the T.C.A. overhaul and maintenance base in Winnipeg. He suggested to us on October 2 that he would make a statement on this urgent problem today. Is he now prepared to advise the house on this matter?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I said on October 2 that I expected to be able to make the statement this week, either on Thursday or Friday. I regret to have to advise the house that I am not able to make it today, but I hope to make it very early next week.

TRADE

WHEAT—SHIPMENTS TO RUSSIA 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 Trade and Commerce. On September 30, in answer to a question of mine regarding the possibility of shipments of grain through Churchill, the minister answered in part as follows:

> Although the feasibility of using Churchill for shipments to the Soviet union was a matter of discussion between the Canadian wheat board and officials of the U.S.S.R., it was not found possible to use Churchill as a port of exit for the grain recently sold to that country.

Now, in a letter to the minister from the secretary treasurer of the Hudson Bay route association, Mr. J. F. Gray, he reports that he had an interview with Mr. Matveev, who apparently negotiated with the deal for the Russians, and Mr. Matveev stated to him that "had he known of the benefits to be gained by both purchaser and producer—"

Mr. Speaker: Would the hon. member please state his question or put it on the order paper?

Mr. Simpson: My question is that Mr. Matveev stated that had he known of the facilities at Churchill he would have been very anxious to see the wheat shipped through that port. Can the minister assure me and the house that the negotiators were made fully aware of all the facilities at the port of Churchill?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I can assure the hon. gentleman that I was present when such assurance and such information were provided.

Mr. Horner (Acadia): Who is correct?

FINANCE

SUGGESTED INCREASE IN SUBSIDY TO GOLD MINES

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I wish to direct a question to the Minister of Mines and Technical Surveys; but in view of his prolonged absence, I shall put it to the Prime Minister.

Does the government intend to raise the subsidies to gold mines in order to encourage economic recovery in mining areas that are otherwise depressed, such as Abitibi?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, a question of this kind was asked yesterday, and I now give the same reply. It is a matter of policy and if any action is to be taken it will be announced in due course.

INTERNATIONAL MONETARY FUND—PURCHASE OF RUSSIAN GOLD

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, my question is addressed to the Minister of Finance.

Has Canada received a request from the international monetary fund for the purchase, during September alone, of 200 tons of gold, when the I.M.F. bought that amount of gold from Russia?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): No, Mr. Speaker.

FISHERIES

NORTH PACIFIC TREATY—REQUEST FOR STATEMENT ON NEGOTIATIONS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of reports of continuing conflict of views on the part of participating delegations, could the minister bring the house up to date with regard to the negotiations currently under way in Tokyo with respect to the north Pacific fishery treaty?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, in reply to the hon. member I wish to state that I have just received a cable from the chairman of the Canadian delegation in Tokyo to the effect that the conference will adjourn on Monday next and will reconvene at a later date. I think it would be more appropriate for me to give a full report on Wednesday next, after the return of the Canadian delegation to Ottawa.

EXTERNAL AFFAIRS

DOMINICAN REPUBLIC—CANADIAN POSITION FOLLOWING RECENT EVENTS

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Could the minister inform the house of the stand the Canadian government intends to take in view of the events which occurred recently in the Dominican Republic?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I did not quite make out the question on account of the noise.

Mr. Boutin: Could the minister inform the house of the stand the Canadian government intends to take in view of the events which occurred recently in the Dominican Republic?

Mr. Martin: Mr. Speaker, I shall take this question as notice.

[*Text*]

ISRAEL—INQUIRY AS TO EXTRADITION TREATY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to put a question to the Secretary of State for External Affairs, and I do so at the request of a number of people interested in it. Can the minister inform the house whether he or any of his officials have had discussions recently with any representatives of the state of Israel with respect to signing an extradition treaty with that country?

Mr. Speaker: May I suggest to the hon. member that that is a question for the order paper.

TOBAGO—INQUIRY AS TO OFFER OF ASSISTANCE

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Prime Minister. Has the government offered financial and other assistance to the West Indian island of Tobago which was recently devastated by a hurricane?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this tragic destruction at Tobago took place the day before yesterday. No request for assistance has come from the island, but I think we ought to look into it and see if we can help.

[*Later:*]

Mr. Pearson: My answer to the hon. member for Royal was incomplete. I am informed by my colleague the Secretary of State for External Affairs that steps have already been taken by representatives of our government to inquire what the damage has been and how we can assist.

REPORTED REDUCTION IN EXTERNAL AID BECAUSE OF RUSSIAN WHEAT SALE

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I have a question for the right hon. Prime Minister.

[Mr. Boutin.]

Is there any truth to the rumours that following its sale of wheat to Russia, Canada will have to reduce its assistance to friendly countries which are in need?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. Those rumours are entirely unfounded.

Mr. Gilles Gregoire (Lapointe): This question, Mr. Speaker, will be supplementary to the one asked by the hon. member for Villeneuve. I should like to ask the Minister of Trade and Commerce whether it is not a fact that in the press release announcing this sale of wheat to Russia it was mentioned that the sale would have the effect of diminishing the volume of our aid to underdeveloped countries.

Hon. Mitchell Sharp (Minister of Trade and Commerce): I do not recall anything in the press release on this subject which said anything to that effect. It will be evident to all hon. members, I think, that it would not be the intention of the government as the result of any sale in any direction to diminish the aid which is now being given.

However, the house will recall that some weeks ago I did make a statement to the effect that it would be government policy gradually to increase the amount of wheat which would be made available to countries wishing to make use of it. In the present year the amount of additional aid which will be provided in the form of wheat under that program may be less than it would otherwise be; in other words, it might take a little longer to build up to the $40 million which was mentioned at the time I made that announcement.

An hon. Member: Is that why you are asking the farmers to cut back their acreage?

Mr. Gregoire: On the same date that the press release was issued by the Department of Trade and Commerce, a press release was put out by the Department of Agriculture saying there was a surplus of butter amounting to 200 million pounds. Could the Minister of Agriculture not give part of that surplus to the Minister of Trade and Commerce so that it might be sent as increased help to underdeveloped countries instead of wheat?

Hon. Harry W. Hays (Minister of Agriculture): Wherever possible we are helping those countries that need aid. I can assure the hon. member we do have in storage about 241 million pounds of butter and butter oil which have accumulated since 1958. This is causing a great deal of concern, and we are doing our best to deal with this unhappy situation.

Mr. G. H. Aiken (Parry Sound-Muskoka): I should like to address a supplementary question to the Minister of Trade and Commerce relating to the foreign aid program. Did the previous answer indicate that the amount of the increase in our foreign aid which the government is contemplating will depend on the size of our surplus?

Mr. Sharp: No. I was talking specifically about wheat, and I was suggesting that the quantities of wheat which would be available in addition to those now being provided might be reduced. There is no suggestion that we should ever permit anything to interfere with the aid program which has now been arranged. All I was suggesting was that the program for increasing the amount of wheat which might be provided under this program would probably not build up as quickly this year as it otherwise would, in view not of the shortage of grain but of the limitation on transportation. However, this has nothing whatever to do with the attitude of the government toward foreign aid as a whole and my colleagues, the Prime Minister and the Secretary of State for External Affairs, can give these reassurances to the house.

Mr. Aiken: A supplementary question. If we do not have the wheat, do we substitute money or other goods?

Mr. Pearson: Perhaps I might answer that question by saying that wheat is only one element in our foreign aid program and not the most important, since consumer goods are not those normally required in those countries. The government is now considering ways and means of increasing our effort under the foreign aid program.

ALGERIA—EFFECT ON CANADIAN INTERESTS OF NATIONALIZATION PROGRAM

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

Does the minister know whether Canadian industries or funds are involved in the nationalization carried out at present by Mr. Ben Bella's government?

Hon. Paul Martin (Secretary of State for External Affairs): That matter will be looked into next week but, at this moment, I think it should be put on the order paper.

[*Text*]

AIR TRANSPORT

APPLICATION BY U.S. CARRIER FOR LOS ANGELES-MONTREAL SERVICE

On the orders of the day:

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I would like to ask a question of the Minister of Transport. Could the minister tell the house whether the air transport board has approved the application by a United States carrier for the right to carry passengers between Los Angeles or San Francisco and Montreal? Perhaps in the minister's absence his parliamentary secretary would take the question as notice.

Mr. Speaker: I do not see any special urgency in this question. Perhaps the hon. member would put it on the order paper. I take it the matter has been under consideration for some time.

CANADIAN REPRESENTATION AT ASSOCIATION MEETING

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I would like to direct a question to the Minister of Transport.

Would he tell me if Canada will send delegates to the Strasbourg conference called by the International Air Transport Association for October 22, in order to set new air rates over the North Atlantic.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I take this question as notice.

[*Text*]

NORTHERN AFFAIRS

HAINES ROAD—INQUIRY AS TO MAINTENANCE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I would like to direct a question to the minister of northern affairs. Could he inform the house of the nature of the discussions or negotiations which are now taking place, or have taken place, with the government of the United States or the government of the state of Alaska with respect to the maintenance of the Haines cut-off road in the Yukon?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, yesterday I reported to the house that a group of senior officials had just returned to Ottawa following a study they had pursued in the U. S. Panhandle and the Yukon on all transportation matters. It would certainly be premature to suggest any policy on the part of the government until the report of these gentlemen is studied.

Inquiries of the Ministry

Mr. Nielsen: As a supplementary question, can the minister inform the house whether discussions or negotiations have taken place or are taking place with the United States government or the government of the state of Alaska with respect to this matter?

Mr. Laing: There have been a great number of studies, our studies as well as individual studies, but I do not think negotiations are taking place at the moment.

NORTHERN TRANSPORTATION COMPANY—COMPETITION WITH PRIVATE ENTERPRISE

On the orders of the day:

Mr. Terry Nugent (Edmonton-Strathcona): I wish to address a question to the Minister of Trade and Commerce; perhaps the hon. gentleman would clarify government policy on this matter. Does the government intend to permit Northern Transportation Company to extend its operations in the north in direct competition with private enterprise?

Hon. Mitchell Sharp (Minister of Trade and Commerce): This is a question of which I would require some notice. As the hon. gentleman knows, there have been discussions between the Northern Transportation Company and some of the other carriers. We have had this matter under consideration for some time, and I think it would be in the interests of all concerned if I had a little time to prepare an answer which would be as clear and satisfactory as possible.

Mr. Nugent: Is it true that the minister is being advised on this question by a committee composed of his deputy and the president of Northern Transportation Company, although the question being considered is the competition between Northern Transportation Company and private enterprise in the north?

Mr. Sharp: I can assure the hon. gentleman that I am receiving advice from many quarters, including those he has mentioned.

STATEMENT AS TO RECREATIONAL PARKS PROGRAM

On the orders of the day:

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, yesterday the hon. member for Brandon-Souris asked me when he might expect a report on recreational parks, and with special reference to winter works therein. I wish to announce that the government has approved a very extensive program of winter works in respect of its national parks that are located near designated development areas. In respect of recreational parks I want to assure him that this matter is under active study and an announcement will be made soon.

[Mr. Laing.]

Hon. W. G. Dinsdale (Brandon-Souris): A supplementary question, Mr. Speaker. Will the federal-provincial committee on parks be reconvened this fall and will this matter of recreational parks be brought to its attention?

Mr. Laing: Mr. Speaker, I agree entirely with the implication of the hon. member that the best job in respect of recreational parks can be done by understanding and co-operative agreement between the federal government and the provinces, and we will certainly pursue that aspect actively.

SHIPPING

ATLANTIC AREA—REPORTED DISCONTINUANCE OF NAVIGATION CHAIN

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I have a question for the Minister of Transport, but I hope his parliamentary secretary will be able to reply. As a result of the many representations I have received from the fishermen concerned and also owners of fishing trawlers, can the minister advise why the Decca navigation chain No. 6, which covers the area of the Atlantic between Nova Scotia and Newfoundland, has been discontinued? I understand the discontinuance of the chain is causing extreme hardship and possible loss of fishing gear.

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I will take that question as notice.

CANADIAN NATIONAL RAILWAYS

INQUIRY AS TO CONSTRUCTION PROGRESS ON MATANE-STE. ANNE DES MONTS LINE

On the orders of the day:

[*Translation*]

Mr. Charles-Eugene Dionne (Kamouraska): Mr. Speaker, I should like to direct a question to the Minister of Transport.

Could the minister tell the house what the government intends to do with regard to the construction of the railway line between Matane and Ste. Anne des Monts, since that legislation was adopted over 18 months ago? Will the project soon become a reality?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I take this question as notice.

[*Text*]

UNEMPLOYMENT INSURANCE

REPORTED DISQUALIFICATION DRIVE AGAINST FARM LABOUR

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I have a question for the

Minister of Labour. I would like to ask him whether the unemployment insurance commission is currently undertaking a disqualification drive against persons living on or connected with farms. My question arises from a mimeographed disqualification form which came into my hands this morning.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I will be glad to take that question as notice.

BUSINESS OF THE HOUSE

REQUEST FOR SETTING UP OF COMMITTEE ON RAILWAYS

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, my question is directed to the Minister of Transport, or in his absence, to his parliamentary secretary.

Could the minister or his parliamentary secretary tell the house when they intend to call the special sessional committee on railways, in order to allow us to hear what the president of the C.N.R. has to say?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Perhaps, sir, I could answer that question as house leader. The committee will be set up as soon as the house can find time to do it.

Mr. Georges Valade (St. Mary): As a supplementary question—

Mr. Speaker: I am sorry to interrupt the hon. member, but I think there was a complete answer given by the Secretary of State. However, I will not prevent the hon. member from asking the question.

Mr. Valade: I regret having to put a supplementary, but I think it is in order and I do not think it should be disallowed. Can the Secretary of State say whether the president of the C.N.R. will oblige the members of parliament in a much better way than he has in the past at committee hearings, since in the past he has refused to answer many questions put to him by members of parliament?

NATIONAL DEFENCE

QUEBEC—REPORTED CLOSING OF CERTAIN RADAR STATIONS

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, my question is directed to the Minister of National Defence.

Can the minister tell me whether a new defence policy is being worked out which would result in the closing in the near future of some radar stations, particularly the radar station at St. Sylvestre, in the constituency of Lotbiniere?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): As part of our general review of defence requirements we are taking a look at our radar capabilities to see whether economies can be effected without seriously reducing the effectiveness of the system as a whole. As soon as the review is complete, any decisions which are taken will be announced.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): A supplementary question, Mr. Speaker—

Mr. Choquette: A supplementary question, Mr. Speaker. In such an occurrence, can the minister tell the house whether the government intends to take special steps to prevent the non-employment of people who would be laid off following such a decision?

[*Text*]

Mr. Hellyer: It will be the general policy of the Department of National Defence whenever there are dislocations caused by moving or closing bases to give as much warning as possible and, in addition, to collaborate with other departments of government, including the Department of Labour, to see how we can alleviate any hardship which might be caused to employees on those stations.

DOMINION-PROVINCIAL CONFERENCE

CONSIDERATION OF SECOND TRANS-CANADA HIGHWAY

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to direct a question to the Minister of Public Works and ask him, in view of the urgent need for a second trans-Canada highway, especially through northern British Columbia, and the statement made by the minister on July 17 last that he hoped to arrange for a dominion-provincial conference to consider highway matters this fall, whether such arrangements have been made and when the conference will be held.

Hon. J. P. Deschatelets (Minister of Public Works): No arrangements have been made as yet. As the hon. member realizes, this is a matter of government policy and a decision will be taken in due time.

Interim Supply

PARLIAMENT BUILDINGS

WEST BLOCK—REQUEST FOR ELEVATOR REPAIRS

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): In view of the wide variety of questions asked this morning, might I direct a question to the Minister of Public Works on a matter which affects all members of this house. Before the one year warranty or guarantee runs out on the elevators installed in the west block, will the hon. gentleman issue an order that the elevators there be corrected so that if a member wishes to go to the third floor he does not have to push the button for the second floor, and if wishes to get down from the third floor he does not have to play bingo with all the buttons in order to arrive at the floor he wishes to reach?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, this is a very urgent question, because I was nearly trapped last Saturday in an elevator in the west block. I can say to my hon. friend that the matter has been reported and I am informed that the engineers are reviewing the whole system immediately.

SUPPLY

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

INTERIM SUPPLY

Resolved, that a sum not exceeding $747,449,955.03, being the aggregate of—

(a) two twelfths of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except fisheries item 45, northern affairs and national resources item 10 and public works items 20 and 190 for which the proportion is one twelfth and except atomic energy item 5, external affairs item 107 and loans, investments and advances item L420 for which no proportion is requested, $640,449,276.00;

(b) an additional three twelfths of the amount of transport item 35, $820,000.00;

(c) an additional two twelfths of the amount of agriculture item 50, $178,833.34;

(d) an additional one twelfth of the amounts of agriculture items 25, 100 and 145, citizenship and immigration item 30, transport item 10, of the said estimates, $3,583,608.34;

(e) two twelfths of the total of the amounts of the items set forth in the supplementary estimates (A) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs item 96a, finance item 5a, northern affairs and national resources item 110a, and loans, investments and advances items L13a and L63a, $48,103,070.00;

(f) an additional three twelfths of the amount of external affairs item 117a, $84,240.00;

(g) an additional two twelfths of the amount of external affairs item 116a, $280,800.00;

(h) two twelfths of the amount of the item set forth in the supplementary estimates (B) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $1,166,666.67;

(i) two twelfths of the amount of the item set forth in the supplementary estimates (C) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $3,333,333.34;

(j) eight twelfths of the amounts of the items set forth in the supplementary estimates (D) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $49,444,457.34;

(k) an additional three twelfths of the amount of external affairs item 117d, $5,670.00;

be granted to Her Majesty on account of the fiscal year ending March 31, 1964.

[*Translation*]

Mr. Gregoire: Mr. Chairman, I wish to continue my remarks this morning and deal especially with a statement made a while ago by the Prime Minister (Mr. Pearson).

It is plain that the appointment which the Prime Minister announced this morning constituted a difficult problem for the present government. On the one hand, pressure was brought to bear by the directors of the Canadian National Railways and certain heads of labour movements to maintain the present chairman in office. On the other hand, pressure was also brought to bear to remove him from office or rather not to reappoint him.

In the first place, I want to congratulate the Prime Minister for his courage and his boldness in taking such a decision which was not an easy one in the circumstances.

As far as I am concerned, Mr. Chairman, I had sometime earlier the opportunity to question the chairman of National Railways. It also happens that I in no way agreed with him on certain points, but, personally, I never asked for the head of the present chairman of the C.N.R. I asked him to use his head, but I never wanted to see his head chopped off as chairman.

In the letter he wrote to the Prime Minister, the chairman of National Railways today admits that there is a problem of bilingualism within the C.N.R., and that the representation of French Canadians on the higher levels is inadequate. He does take a step forward when he acknowledges existing conditions, and we have always welcomed repentant sinners with open arms.

If the chairman of National Railways is ready to admit that some errors have been committed in the past, if he is ready to admit, as he has done, that there actually is a problem of biculturalism and bilingualism in that crown corporation, I think he has taken a great step forward and that it would be well to give him a chance to do now what he failed to do in the past.

[Mr. Diefenbaker.]

I think that this is the more important because, thanks to his many years of experience, and following all the pressure put on the National Railways administration, he is better able to see that one should actually reconsider all those things, this whole French fact inside the most important crown corporation, that is, the C.N.R.

I seem to understand that his term of office would be renewed for only a year and a half. However, we are not to be fooled, because it is obvious that those two letters have been written by arrangement and that the whole business was concocted so that the chairman of National Railways would himself put a limit to his term, which would more or less be a compromise suggested and accepted by the chairman now in office of the Canadian National Railways.

We understand perfectly well what is behind all that—a year and a half. The president of the Canadian National Railways will come before the committee, and we will be ready to give him a fond welcome and tell him exactly what we want.

We do not wish to confine ourselves to destructive criticism. We want our criticism to be quite constructive. By criticizing in a practical way, by means of realistic suggestions and positive ideas, we want to help solve the problems which may exist within confederation and not try to stir up the two races one against the other. Instead of that, one race must tell the other what it means by confederation and the other one must try to understand the other's point of view.

Mr. Chairman, in my opinion, that is the only way we can succeed in solving the problems Canada now faces. I believe in confederation, providing we are fully aware of what can happen, that is that French Canadians have to become first class citizens of this country. They want their responsibilities as such and, moreover, they want to be able to say and do by themselves what they want to say and do. And I think that all the civil service and cabinet members know now that the one who is still the most able to ensure the survival of confederation at this time and who carries the heaviest burden is the Minister of Finance since he holds in his hands the ultimatum of the premier of Quebec to the effect that he wants the province to get back 25 per cent of the tax on corporations, 25 per cent of personal income taxes, and 100 per cent of succession duties.

It is a first request but it is the most important and that which comes first place at this time if we really want confederation to survive.

April 5 next will be "D day" for confederation. Will the present government agree to give back to the provinces the sources of revenue they are entitled to? I hope so, otherwise I believe that day will see the greatest split within confederation; at that time, we French Canadians will be in a position to say: Well, after all, maybe we are better off alone than in confederation where we are refused our responsibilities and the sources of revenue that would enable us to assume them. Mr. Chairman, that is a determining factor.

The other day, I heard the Prime Minister say on the C.B.C.'s French and English television networks: We agree that the provinces have responsibilities, but the federal government also has its own responsibilities. That is true. But the Prime Minister should seriously tell himself that the present government has assumed responsibilities that did not rightly belong to it.

By entering the fields of highways, education, hospital insurance, etc., the present government has assumed responsibilities which the federal government did not have to assume; and if the federal government had not assumed those responsibilities at that time, it should not have been forced to take away from the provinces sources of revenues which they need. If the provinces had retained their sources of revenues, they could assume their responsibilities in the fields of education, highways, hospital insurance, agriculture, etc. If the federal government has greater responsibilities today, it is because it has entered the provincial field.

During the first part of the session, the President of the Privy Council (Mr. Lamontagne) said that where a province wanted to resume its responsibilities in certain fields, there should be no reason why it should not at the same time get back its former sources of revenues.

I am surprised, Mr. Chairman, to note that the government of Quebec has not asked officially to resume those responsibilities, which should be his, as well as the moneys related to them. I hope the provincial government will carry out the suggestion of the President of the Privy Council, that is resume its responsibilities in those fields as well as the sources of revenue to carry out those responsibilities.

Mr. Chairman, I apologize if I am slowly coming near my Liberal colleagues. The reason is that I realize that they need to be convinced. I should not say convinced but indeed persuaded. I know they are convinced of what I said today.

Mr. Habel: I rise on a point of order, Mr. Chairman. It is not so much the fact that the hon. member for Lapointe is coming nearer to us that concerns us, but the fact

that he is standing in front of the Sergeant-at-Arms while he is speaking, and this is altogether out of order.

Mr. Gregoire: There would always be a solution, Mr. Chairman, that is to move the Sergeant-at-Arms.

I can assure you, Mr. Chairman, that these are important factors in confederation—determining factors for the French Canadian race and Quebec Liberals are of the same opinion. I am convinced that it is partisanship that prevents them from saying out loud what they believe down in their hearts, and I hope, Mr. Chairman, that for the greatest benefit of all, they will put aside party considerations.

The Prime Minister himself, the leader of the Liberal party, said on television that partisanship must be put aside in order to solve the great problems facing Canada.

I have a suggestion to make that I did not expect to make this morning, it has to do with the reappointment of the president of the Canadian National Railways. We want to prove that we are without bias, that we are willing to help toward the solution of problems, and that we know what they actually are. They have nothing to do with the appointment of an individual, of a president in particular, but they consist in a group of very definite principles the most important of which is to give back to the provinces their sources of income. There are others, such as a greater participation of French Canadians in the federal public service. After what happened in the past, I am sure that the present C.N.R. president has decided to assume his responsibilities.

Mr. Chairman, before concluding my remarks, I wish to tell you that the present problem raised in the house could easily be settled by recognizing a group of 13 French Canadian members from the province of Quebec who wish to assert without fanaticism but with determination, the French fact within confederation. And now after a week, nothing has been done and it seems that this group of French Canadian members who wish to be recognized are being deliberately ignored.

It rests with certain members of the government to see that a decision is taken as soon as possible, because it is absolutely illogical and utterly ridiculous not to recognize a group of 13 members of the province of Quebec who have been elected with majorities comparable to that of any of your members.

Certain members have formed a political party and wish to assert the French fact within confederation.

Mr. Chairman, I think that the present government must take a decision in this connection, not in a week's time, but immediately. I think that the problem can be solved before the end of the week. The following fact cannot be disregarded: 13 members who wish to emphasize a definite point in this house.

[*Text*]

Mr. Diefenbaker: Mr. Chairman, what I intend to do on this occasion is deal with some elements of the question that was raised by my hon. friend the member for Ontario, namely the threat to the flow of grain shipments on the great lakes and the St. Lawrence seaway which, as stated in the motion, we believe is due to lack of any effective action being taken by the government of Canada.

I start by a reference to a statement made by the Minister of Labour this morning when he referred to this matter while answering a question. He stated that, after all, the strike had only been on for three and a half hours. This statement, I feel, may well rank with other classic statements that have been made by ministers throughout the years, not losing sight at the moment of the one, "What's a million dollars, anyhow?". This was a most unusual statement for the minister to make, because he is usually a member who chooses his language with great care. No doubt harried by the experiences of the last few days he made that statement, which taken literally does not show that regard for the seriousness of the situation that should characterize a minister of labour.

I should like also to refer to the statement made by the Prime Minister this morning in relation to the Banks situation. He said, when asked by the hon. member for Three Rivers when the trusteeship legislation would be proceeded with, "When there is no hope of a private settlement". This answer is one that completely disregards the interests of the Canadian people.

The Minister of Labour has reiterated a denial he made to me the other day, that to his knowledge there has been no threat by the S.I.U. to the effect that if there were a possibility of the legislation for trusteeship being proceeded with there would be trouble and a tie-up of shipping on the St. Lawrence. When he says he has not heard that, I naturally accept his statement in that regard. But I would point out that is not the view of others intimately connected with this matter. I would point out that there has been some correspondence between Mr. J. D. Leitch, president of Upper Lakes Shipping Limited, the Prime Minister and the Minister of Labour. This correspondence consists of telegrams one of which is dated, as I am informed, October 1. In the course of that telegram Mr. Leitch has pointed out that while his company has been directly interested

in what is taking place, in the lawlessness on the great lakes, his company has not been consulted at any time. He says this:

> Regret that at no point has a representative of our company been consulted.

Then he says this:

> It is my firm conviction that as a question of law and order there is no room to compromise... and the Canadian government must give firm leadership and not be deterred by the threats of waterfront hoodlums.

Mr. Pearson: May I ask the right hon. gentleman from what he is reading?

Mr. Diefenbaker: I am reading from a telegram about which the Prime Minister should know, he having received it from Mr. Leitch on October 1.

Mr. Pearson: May I ask the right hon. gentleman how he received it?

Mr. Diefenbaker: Well, I will tell him. Apparently a moment ago the Prime Minister did not know he had received it. I would point out that a copy of the telegram was sent to me. Apparently the Prime Minister paid so little attention to it he did not know from what I was reading.

There was a further telegram sent to the Minister of Labour by Mr. Leitch complaining that there had been no opportunity given to his company to make representations. The other day in the house I suggested that Mr. Wirtz or representatives of his department had warned that no other ships of this company should be allowed to go to Chicago. I will return to that a little later, because I find that a representative of one of the unions quoted the United States labour department as having stated that Mr. Wirtz had informed him that it would be dangerous, if not indeed improper, for a Canadian ship to use the great lakes and continue on its course to the port of Chicago.

This morning we endeavoured to secure some information, and we received the usual brush-off. Because of the series of evasive replies that have been received, the hon. member for Ontario moved a motion and that motion was not placed before the house by Mr. Speaker. I am not arguing in any way about that, the determination having been made. I would point out, however, that this is a matter of deep concern. It was a matter of deep concern in the month of August when this house adjourned. There was lawlessness and tyranny being perpetrated on the great lakes. A report was made by Mr. Justice Norris, and the government decided to adjourn parliament. Parliament adjourned. The minister had stated that if there was any outbreak of lawlessness, parliament would be recalled. There was a dynamiting. There may have been, in addition to that, other acts of lawlessness to a lesser degree, but a dynamiting took place. I am not going to argue at the moment that therefore parliament should have been called between September 10 and 30, although that is a long delay on the part of a government that was full of determination to protect Canadian interests and the rights of Canadians to the use of the great lakes.

The house convened on September 30. Naturally we expected legislation then. First there was the promise that if certain things were done, this legislation would be proceeded with. Then, finally, the answer of the Prime Minister today indicates that it is now part of the Pearson plan that this legislation will not be brought before parliament until the hope of a private settlement is entirely terminated. That is passing strange. The resolution is here. I am sure the house as a whole would be willing to proceed immediately with it. Why the delay? Why these movements, these pilgrimages back and forth between here and Washington that have become so characteristic in the last few weeks and months, and so devoid of success?

Some hon. Members: Hear, hear.

Mr. Diefenbaker: What of these pilgrimages? Why has no action been taken? Why this delay? Mr. Chairman, the hon. member for Ontario this morning endeavoured to bring this matter before the house. Let me point out this. He was minister of labour for a period of five and one half years or more. He gave to this country a degree of amity in labour relations that we had never enjoyed prior thereto. The minister suggested there was no pressure on the government. We realize they have a lot of problems on their hands. We recognize their difficulties. We see their faces showing the disconsolateness that comes from responsibility. We see all that, Mr. Chairman. But surely there has been time to take some action.

I am going to refer particularly now to the longshoremen's strike. I am not going to argue the question as to its legality. The Prime Minister smiles, Mr. Chairman. He does not even know what a legal strike is, judging from his lack of knowledge of a few minutes ago of a wire he received pointing out the great seriousness of the situation that prevails. Here we are with tremendous orders for available wheat that is waiting to be shipped. Apparently 60 million bushels of wheat are ready for shipment at the port of Montreal or are en route there. What has the government done? Why did it wait until the last minute of the last hour before acting? There are 3,800 members of the

international longshoremen's association in Montreal, Three Rivers, Quebec and Sorel. These ports handle an average of 75 ships a day at the peak of the shipping season. Montreal alone can load 3 million bushels of grain per day.

There were long negotiations with the shipping federation. This is not a recent matter. Last March the federation offered the I.L.A. a 12 cents an hour increase, plus 4 cents in fringe benefits. The I.L.A. refused. The executive accepted, but the membership declined. A conciliation board was set up. It unanimously recommended a 22 cents package. Both parties rejected the recommendation. Then came the wildcat strike on the waterfront on September 9 and 10. Then the government, with the Russian wheat deal on the books, saw the need for some action and proceeded to act. The cause of this strike was rank and file dissatisfaction with dragged out negotiations with the shipowners; the members of the union were fed up with the delay. The union leaders persuaded the members to return to work, and shortly after the conciliation board report was brought in.

Why was there such delay after the report? This is just another example of the government's complete lack of decisiveness. It makes plans, but they are mainly theory without action. This is just another example of that. The government apparently saw no urgency in the situation until the Russian wheat shipments were in jeopardy. This is one time they cannot rely on Mr. Wirtz or anyone else outside our country. The attitude to date in so far as the Montreal, Three Rivers, Quebec and Sorel situation is concerned has been that of too little and too late. On Wednesday the government appointed as federal mediator Judge Lippe of Montreal. Why all the delay? Why wait until the last moment?

Some hon. Members: Oh, oh.

Mr. Diefenbaker: The Prime Minister laughs. That is the way he tries to laugh off the seriousness of Canadian problems that he is beginning to realize. He laughs; that is his attitude.

Mr. Pearson: Mr. Chairman, in view of the fact that the right hon. gentleman has mentioned my name, I may tell him that I am laughing at his suggestion that there was delay in making an appointment which was made immediately after the time it could have been made; and I remind him of the year and a half delay in appointing the chairman of the board of the C.N.R.

Mr. Starr: What a comparison that is.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Mr. Chairman, the Prime Minister smiles when he is most annoyed and hurt. There is a guilty conscience there. Why did he mention the C.N.R. presidency? If you could have seen the face of the Minister of Justice today, Mr. Chairman, you would have understood that the Prime Minister has his troubles.

Mr. Robichaud: He can make decisions, though.

Mr. Diefenbaker: All I can say in this connection is that the House of Commons breathes more freely today. I do not know how he could have stood the loss of the Minister of Justice.

Mr. Pearson: Or the Minister of National Defence.

Mr. Diefenbaker: I can understand why the Prime Minister referred to that matter. Nothing has been done. There has been nothing but delay. Smokescreens of that kind do not deter me from placing the facts before the house. Shipping is tied up. Newspaper reports claim that officials hope to divert wheat and flour loading to other ports. I will make reference to that a little later. The hon. member for Saint John-Albert has been endeavouring to secure some consideration for Saint John and Halifax, and the hon. member for Churchill has placed a very strong argument before the house on behalf of the port of Churchill, which for some reason was circumvented under these plans.

What is going to be done about this? We would like to know what is the situation. Why the delay? The government realized it would need the ships and shipping facilities when it entered into this contract. The Minister of Trade and Commerce pointed out that at our seaports approximately 640 vessels each of 10,000 tons average would be required to transport the wheat. This house needs from the government a statement, not the evasion of the last few days, setting forth what it is going to do; for the minister must be the first to admit it is imperative that there be no interference with the smooth flow of loading and shipping if there is any expectation of commitments being met.

The house cannot tolerate a situation of this kind, because the prospect of continuing violence and disruption on the seaway and the lakes threatens interference with free movement on these waters. I repeat that the information given to me, despite the fact that it has not come to the notice of the Minister of Labour, is that the S.I.U. threatened that if any action were expected or anticipated under the Norris report, there would be difficulty in Montreal.

Mr. Pearson: Mr. Chairman, would the right hon. gentleman give us the source of that very important information?

Mr. Diefenbaker: I am making the statement, Mr. Chairman, and I do not have to give the source. I am saying that everybody knows it but the government.

Some hon. Members: Hear, hear.

Mr. Pearson: If everybody knows it, why won't the right hon. gentleman tell us the source?

Mr. Diefenbaker: I might also add that the Minister of Labour was directly asked the question by a member of the press gallery on Saturday last, as to whether this took place, and my information is that his answer was "I am not going to discuss that."

Mr. MacEachen: Mr. Chairman, I think this point is of some consequence. It is true that last Saturday at the airport a member of the press gallery asked me had I any comment to make on a report that had been issued and put on the air during my absence from Ottawa, to the effect that there was this relationship between the I.L.A. and the S.I.U., and I said I had no comment. I went on to say that I hoped reason would prevail, a bit of advice which I would tender to the right hon. gentleman.

Mr. Diefenbaker: There is no denial that the answer was he had nothing to say about that. In so far as the minister's advice is concerned I say, physician heal thyself.

I shall go on from there. I have mentioned this threat which is common knowledge, and it is also suggested in the wires to which I have made reference. Why has there been the delay in action? It is a strange thing that all through the past Mr. Banks has received the kindest of treatment from successive Liberal governments.

I am going to refer to that because it is strange that here the government says to the House of Commons, "We have a resolution on the order paper and we are going to act on it." Then the government suddenly changes its tone today and says, "We will get on with it only if we do not get a private arrangement."

Many people are involved, including Mr. Meaney, Mr. Paul Hall and representatives of the United States department of labour. It is very obvious there is a difference of opinion, and that what is good for Canada is not regarded by Mr. Wirtz, and those associated with him, as good for the United States. That has been made very clear, and there are many quotations I could give of statements and conclusions to that effect by members of the press gallery following the interview they had with him.

In behind all these things we have the shadow of Mr. Banks and the solicitude this man has received from successive Liberal governments, this man who Mr. Justice Norris said is of the stuff of the Capones and of the Hoffas. Throughout his career he has been protected by the Liberal party in this country. He was given, after conviction in Canada, the unassailable status of landed immigrant.

What manner of man is this demi-god? When he came to Canada and signed the immigration entry paper the question was not there and was not asked: "Have you a criminal record?" That would have been an embarrassing question because his criminal record would have kept him out.

In those days the minister was Hon. Walter Harris.

Mr. Pickersgill: Would the right hon. gentleman permit a question?

Mr. Diefenbaker: Certainly.

Mr. Pickersgill: Could the right hon. gentleman say on what date Mr. Banks first came to Canada?

Mr. Diefenbaker: I have got everything and I am very glad that question has been asked. I did not think I would have the opportunity to put it all on the record, and I thank my hon. friend because this is very helpful. I will give him the entire record, because he has asked for it.

I have previously mentioned Mr. Banks' criminal record and I will deal with the items one by one, including the hon. gentleman's question. Mr. Banks lived in the United States and had a criminal record from 1930 until 1947. He faced various charges upon which he was convicted, and I will come to the date in a moment.

After his arrival in Canada a series of charges were preferred against him from time to time and finally, on April 14, 1952, he was convicted at Montreal on a charge of being in possession of smuggled United States cigarettes, to which he pleaded guilty. After that he was immediately subject to deportation, but nothing was done about it. No action was taken to deport him on the basis of his conviction.

I have the order in council here, and it is interesting reading. I will not belabour the committee with it at this time, but I have it for future use.

Mr. Banks came to Canada in January, 1949. He entered as a non-immigrant with a minimum of formality, that minimum of formality consisting of failing to ask him the question that would have kept him out. From 1949 onward his period of stay was extended in six months periods, and on May 8, 1952, he applied for the status of landed immigrant.

The hon. gentleman who has asked me the question about the date of his arrival did not become minister of citizenship and immigration until July 1, 1954.

Mr. Pickersgill: The right hon. gentleman has that fact correct.

Mr. Diefenbaker: But it is of interest that this order in council was passed during his term of office. In June, 1954, Mr. Jean St. Onge of the Montreal office of the Department of Citizenship and Immigration, designated as an inquiry officer under section 11 of the immigration act, recommended Mr. Banks' deportation on the basis of his criminal record involving moral turpitude.

In June, 1954 Mr. Banks appealed to the then minister of citizenship and immigration, Mr. Harris, against deportation, and there was an amendment introduced in the House of Commons, and passed through parliament, enabling an appeal to be made to the minister against such orders. I am sure hon. gentlemen opposite would say that it was only coincidence—

Mr. Pearson: Did you vote against that?

Mr. Diefenbaker: —but it had a wonderful effect. It enabled the appeal to be heard by Mr. Harris, and in the same month Mr. Harris allowed the appeal and set aside the deportation.

I am glad the Secretary of State asked me this question, because it clears up the atmosphere. I will now refer to the order in council, because it was passed during the period when he was minister. Mind you, I should point out that the determination was made earlier, after parliament ended. Parliament ended near the end of June and the appeal was then allowed, with the order in council being passed, and this order shows a masterful capacity for forgetting the facts. Attached to it is his record, and that order in council is P.C. 1954-1015, dated July 6, 1954, and reads as follows:

> The committee of the privy council have had before them a report dated 30th June 1954, from the Minister of Citizenship and Immigration, representing:
>
> That under section 5 of the Immigration Act, a person who has been convicted of or admits having committed any crime involving moral turpitude is prohibited from admission to Canada;
>
> That notwithstanding this prohibition the governor general in council may—

and this was the effect of the amendment passed by the House of Commons—

> —upon satisfactory evidence of successful rehabilitation, authorize the admission of such a person to Canada if a period of five years in the case of an adult and two years in the case of a minor has elapsed since the termination of the imprisonment period or the completion of the sentence; and
>
> That the person named in the appendix hereto appears to have been successfully rehabilitated.

[Mr. Diefenbaker.]

> The committee, therefore, on the recommendation of the Minister of Citizenship and Immigration,—

That was not the hon. member for Bonavista-Twillingate. He had not become minister at the time the recommendation was made. He was just the minister at the time the order in council was passed.

> —advise that Your Excellency may be pleased, pursuant to the Immigration Act to authorize the admission to Canada of Harold Chamberlain Banks, of whom particulars are set out in the appendix hereto.

This appendix is really something. It is what you might call an abbreviated appendix. No operation has ever been more complete in removing from an appendix the serious portions of it. All it says is that Harold Chamberlain Banks was convicted on September 27, 1930 by the Los Angeles superior court and sentenced to 14 years in San Quentin. The document goes on:

> Twenty years have elapsed since the termination of the sentence. He entered Canada at intervals from 1948 as representative of the seafarers' international union and has resided here since 1952. He has been executive director of the union...
>
> In view of his important contribution to the Canadian shipping industry, it is recommended that authority for his admission be provided under section 5(d)(i) of the Immigration Act.

I said this was an abbreviated appendix. They forgot to mention that he was convicted of having smuggled goods in his possession only two years earlier, an offence for which he could be deported but which, for some reason or other, was not mentioned in the record. This is no attempt to deal completely with the record he has. That has already been dealt with in the Norris report. Look at the situation. Review that evidence, and ask yourselves whether Harold Chamberlain Banks has not got a great deal to thank the former Liberal government for. I wonder whether the solicitude shown in 1952, 1953 and 1954 by the governments of that day will be forgotten by the Canadian people.

That is the picture. Today this man enjoys the status of landed immigrant with established Canadian domicile although citizenship has been refused to him. He applied for citizenship but his application was refused. When we were in office we looked into this situation to see what could be done. We found that as a result of the action taken by the former government under the order in council to which I have alluded there was no action which we could take against him. That shows how complete, how thorough a job was done in assuring Mr. Banks that whatever his lawlessness might be he could not be interfered with as far as his residence and domicile in Canada are concerned.

Mr. Pickersgill: Would the right hon. gentleman permit a question?

Mr. Diefenbaker: I answered one, and I have not completed—

Mr. Pickersgill: I can understand that the right hon. gentleman does not like the facts.

Mr. Diefenbaker: I have the floor, and I am trying to answer the hon. gentleman in the detail he asked for.

Miss LaMarsh: Don't confuse him with facts.

An hon. Member: You should talk.

Mr. Diefenbaker: I ask, why the failure of the government to act? Why all this playing around? When I asked the minister the other day whether Mr. Wirtz had tried to stop a Canadian grain ship he said he had no information. All I can tell him is that it was in the press on September 27. I have the clipping here.

> Washington (CP)—U.S. labor secretary Willard Wirtz will attempt to use his influence to discourage a Toronto company from sending another grain ship to Chicago, a trade union source said Thursday night.
>
> The informant said Wirtz made this promise in a brief discussion Thursday with Peter McGavin, secretary treasurer of the AFL-CIO maritime trade department.
>
> Earlier, McGavin told a press conference that any move to send the grain ship *John Ericsson* to Chicago would be considered a deliberate provocation designed to stir up new trouble in the great lakes labor battle.

Mr. Pickersgill: Is that evidence?

Mr. Diefenbaker: Why, what manner of work is this?

May I call it one o'clock?

At one o'clock the committee took recess.

AFTER RECESS

The committee resumed at 2.30 p.m.

Mr. Diefenbaker: Mr. Chairman, I have not gone into lengthy detail in answer to my hon. friend, the Secretary of State. There are many more details that could be given and will be given at an appropriate time in regard to Banks' record. I have simply given a general outline and have left out quite a series of events in the Alger story of Mr. Banks' life. I can, of course, deal with these matters in more detail on another occasion. However, I feel I have answered the question asked.

I would point out that various questions were asked in the House of Commons in June of 1954 regarding Mr. Banks, and *Hansard* records the discussions that took place. I would refer particularly to *Hansard* of the 26th of June, 1954, page 6825, where reference was made by Mr. Harris, the then minister, to the Immigration Act with regard to an appeal to the minister of an order to deport and the exercise of clemency by him on grounds of satisfactory proof of rehabilitation.

The record of Mr. Banks in Canada, apart altogether from the conviction for having in his possession smuggled goods, was sufficient for his deportation.

Mr. Pickersgill: I wonder whether the right hon. gentleman would permit me to ask him one question. Was there any other conviction in Canada? I am afraid I have not made a careful study of the record recently such as the right hon. gentleman has, but was there any other conviction in Canada except the one for being in possession of smuggled cigarettes?

Mr. Diefenbaker: I did not expect that would be asked. I have the record and I will endeavour to locate it. I may have it here and as I come to it I will deal with that point, because the question is a perfectly proper one. I know that the minister is very much interested in the position of Mr. Banks because it was during his period of office that the order in council was passed; but the direction was made by Mr. Harris a day or so before he turned over his portfolio to the hon. gentleman. You see, parliament stopped sitting on the 26th of June and in those four days—I know the minister will agree that the department works very fast—the department operated at an unusual speed. The minister looked into the whole question and, while he expressed doubts that a decision would be made at an early date, within four days a decision had been rendered.

The decision, of course, must have been a decision of cabinet. Indeed, there are records showing that generally speaking not only did the principle of cabinet solidarity apply but the Secretary of State gave his personal imprimatur to the high quality of Mr. Banks. There is one hon. gentleman in the house who used to take a very firm stand on this question. I refer to the hon. member for Kootenay West (Mr. Herridge) who has turned in my direction now. He dealt with this matter at length on a number of occasions but did not receive much consideration.

During the noon hour *Maclean's* magazine for February, 1955, Canada's national magazine, was brought to my attention. It contains an article dealing with the appeal in question and says:

> Banks appealed to the minister of the department, Walter Harris. In his last day of office, before taking over the finance ministry, Harris quashed the deportation order.

Then it goes on to say:

> Harris' successor, Jack Pickersgill, says, "I wholeheartedly agree with Walter Harris' decision. I hope that a lot of questions will be asked about it."

In addition, there were other ministers who decided to add their enthusiastic support to

Mr. Banks. Among them was the labour minister of that time and, according to *Maclean's* magazine, again the Secretary of State supported Mr. Banks with his personal judgment.

Mr. Pickersgill: With what?

Mr. Diefenbaker: His personal judgment.

Mr. Pickersgill: I must confess, Mr. Chairman, that I do not understand what that statement means. It does not seem to me to make much sense. But if I may say one word I think it is probably correct, though I have forgotten the article, that I did say I agreed with the decision that Mr. Harris had made. I am perfectly sure that Mr. Harris made that decision as he made every other decision, in the full knowledge of his duty to this country—

Some hon. Members: Order.

Mr. Pickersgill: —and no man did so more conscientiously.

Mr. Diefenbaker: The hon. gentleman said he was rising to ask a question. He just makes the situation that much worse by again giving his support to the course that was followed that was so detrimental to Canada. He now embraces Banks once more.

Mr. Matheson: Nonsense.

Mr. Diefenbaker: The degree to which he again embraces Banks indicates that Mr. Banks has friends in government circles.

Mr. Matheson: Nonsense.

Mr. Diefenbaker: A question was asked of me, and that question referred to any other charges—

Mr. Pickersgill: No, I said conviction. I asked the right hon. gentleman if Mr. Banks had been convicted in Canada before June 30 of any other charge except the one he mentioned. I said "convicted", not charged. Whatever the right hon. gentleman may feel about it, I do not feel that a charge is a conviction.

Mr. Matheson: Hear, hear.

An hon. Member: Another friend of Banks.

Mr. Diefenbaker: I now want to appropriate the words of the hon. gentleman during an interruption a moment ago. He said, "I am not in the habit of repudiating my friends". The whole story now becomes unveiled—my friend Banks; he is not in the habit of repudiating him.

Mr. Bell: They are both sailors.

Mr. Diefenbaker: The seriousness of the situation along the St. Lawrence is shown by the telegram I received a few moments ago from Mr. A. P. Gleave, president of the national farmers' union. He says:

I have sent the following telegram to Prime Minister Pearson. Strike of longshoremen union creates intolerable situation of bringing grain movement through St. Lawrence ports to a standstill thus jeopardizing completion of grain sales to Soviet union and other countries during the current crop year. Resumption of grain movement is of vital interest to western farmers and general economy. Therefore we urge immediate legislative action.

This is an example of how serious the situation is, and of the need for immediate action.

I have already pointed out the tremendous delays from August until now. I am not going to quote *Hansard* to cite the reasons for the delay in taking action. The undertaking given by the government was clear and unequivocal. It was this: If disorder were to break out, if tyranny were to again ride, parliament would be called back. Days have gone by since, and yet the government continues to fritter away time by meetings, considering, discussing. I said a moment ago that there seemed to be a relationship between the situation that has arisen in Montreal and the action threatened to be taken by the government in relation to Mr. Banks.

It is interesting to go back as far as November 22, 1960 to find a beautiful picture of brotherly love. The Secretary of State said: "I am not in the habit of repudiating friends." Here they are together, the five leaders, attending a union conference at S.I.U. headquarters. They are as follows: Thomas Gleason, general secretary of the international longshoremen's association; Hal C. Banks, vice president, seafarers' international union and director of its Canadian district; Paul Hall, who called the conference, president of the S.I.U. and the maritime trades department of the AFL-CIO; Tony Anastasia, vice president of the I.L.A., and Rod Hayes, vice president of the international brotherhood of teamsters.

Now, Mr. Chairman, there is the aggregation. They are all together there in one picture. The article says they are agreed all legal means of action will be taken to stop the operation of British vessels in competition with Canadian ships. Anastasia is gone, and his son-in-law now runs things. Paul Hall is the man who is telling Canadians what they can do. He wants Canada to fall into line with his ideas. What manner of system is this, whereby Canadians are being told by Paul Hall what they should do? To the credit of Mr. Jodoin, I must say he made it quite clear that he, for one, was not going to take that kind of dictation. I want to emphasize that fact.

Now, we are looking forward to hearing from the government in connection with this matter. I have just touched the fringes. This was in answer to a question, as you know,

Mr. Chairman. I dislike taking so much time to answer a question, but I had to do it.

Now then, can we tolerate the situation, the prospect of continuing violence and disruption on the seaway? Can we tolerate the autocratic interference with the free movement of shipping? Is that not intolerable at any time? Can we allow the perpetuation of tyranny perpetrated by this man Banks who enjoys the position of being the pampered pet of the former Liberal government? Today the Secretary of State said, in effect, I will not desert my friends. This situation must be faced, but I am not going to disagree with the minister that if he can arrive at a system whereby Banks will be out, directly or indirectly, with no control over Canada, it will be welcomed on every hand. In any event, if any settlement which so many across the line are trying to bring about removes Banks from Canada physically but still allows him, directly or indirectly, control over Canada, it will not be tolerated by this parliament and cannot be accepted by the Canadian people.

I will say no more at this time. There is a great deal more in the record. I found that revealing it part by part is always more effective than producing the entire record at once. I now leave it to the government to say why all the delay, why the playing around, why the procrastination? We have had six months of this government. The record has been one of continued postponement, failure to act, much planning, uncertainty and incoherence. There has been a complete denial of unity as between ministers occupying portfolios in the same government. I ask the government, what are you going to do about this? Are you going to instal Hal Banks as the uncrowned king over the rights of Canadians?

Mr. MacEachen: Mr. Chairman, I should like to make a very brief statement in respect of the two major issues that have been raised by the right hon. Leader of the Opposition. One has to do with the serious development that began this morning at Montreal and which extends to the ports of Quebec and Three Rivers. This morning I suggested that we ought to keep this situation in perspective. The strike that began this morning had been in effect for only three and a half hours when the hon. member for Ontario proposed that the house be adjourned in order that the opposition may belabour the government for failing to take what he described as effective action to deal with this situation.

I stated that this strike is fully lawful; it is legal under Canadian law. The right hon. gentleman thought my statement this morning would be regarded as a classic one. Well, I doubt whether it will ever have that high station. But it certainly underlines my belief in free labour, not slave labour.

Some hon. Members: Hear, hear.

Mr. MacEachen: It underlines my belief in free collective bargaining. It underlines my belief in the right to strike as a part of that process of free collective bargaining which is fully protected under Canadian labour law and which is one of the fundamental rights of Canadian workers. I am surprised that any hon. gentleman would suggest that at this stage the government ought to have moved to remove this fundamental right from this class of Canadian workers.

Mr. Churchill: Nobody said that.

Mr. MacEachen: There can be no other interpretation placed on the intervention of the hon. member for Ontario and the Leader of the Opposition. The alternative to moving rapidly to prevent this right to strike was to follow the course that was followed by the Canadian government, and that was to appoint a mediator in order to bring the parties together.

Mr. Diefenbaker: Too late.

Mr. MacEachen: I believe this decision was the correct decision in the circumstances. I ought to remind hon. gentlemen opposite that this dispute is not of recent origin. The dispute or the lack of agreement between the shipping federation and the longshoremen is not a development of recent days or even recent months. It began with the termination of the contracts on December 31, 1962. There were two offers made with regard to which the shipping federation agreed and the officers of the locals agreed. These offers were submitted to the membership, and my understanding is that on both occasions these offers were turned down by the membership. The first, as I understand it, occurred in January of this year, and the second in February and March, when the full powers for amity ascribed to the hon. member for Ontario by the Leader of the Opposition could have been fully employed. But the fact is that notwithstanding the best efforts of the hon. member for Ontario, this dispute was not resolved though two sincere efforts—and I believe they were sincere efforts—were made under his direction to resolve them; or at least, there was one effort made under the aegis of the Department of Labour.

The next development was the appointment of a conciliation board, which is provided for under Canadian law. The chairman, Judge Lafleur, was nominated by both parties and he rendered his decision. He secured a unanimous conclusion as a result of his deliberations. The conciliation board report

was made public on Monday of this week. It had been released to the parties earlier and it was submitted to the membership of the union last Sunday. On Sunday last the membership decided not to accept the unanimous recommendation. Then, in the light of that development, it was up to the government of Canada to decide at what stage a mediator could be most effectively employed. This is a judgment that has to be made in the circumstances, and depends on the judgment of experienced officers of the labour department who have assessed the situation. It would have been easy to rush in on Monday and appoint a mediator, or on Tuesday. Our judgment was that the time to appoint a mediator was on Wednesday. We proceeded to appoint him on that day and he has been working ever since. I suggest that any earlier appointment would have been indiscreet and unwise in the circumstances.

The fact is that the mediator is at work with the parties. He is still in active contact with both groups as of this moment. Surely it is right on the part of the government to say that the mediator ought to be given full opportunity to explore the situation before the government takes further action or considers further action. I noticed, Mr. Chairman, that the right hon. gentleman did not make any proposal as to what ought to be done.

Mr. Pearson: He hasn't any.

Mr. MacEachen: There was no proposal put forward because in the circumstances the government is taking the only possible and sensible course.

Some hon. Members: Hear, hear.

Mr. MacEachen: We realize this is a serious situation. Of course we do. And we are as concerned about it as any hon. member in the house or any other person. But we intend to take whatever action is necessary in the light of developments in the mediation process.

That is the situation. There has been no delay. The normal lawful procedures have been followed by the Canadian government that ought to have been followed. I suggest it was premature to raise the matter as a matter of debate today. If the desire had been to reach a settlement, then all of us ought to have applied to ourselves a self-denying ordinance until the work of the mediator could have proceeded further.

Mr. Woolliams: The farmers of western Canada will not agree with you.

Mr. Churchill: Sixty million bushels of wheat.

[Mr. MacEachen.]

Mr. MacEachen: Mr. Chairman, may I say a word about that aspect of the problem, with respect to the imposition of a public trusteeship. The government of Canada received a report of an industrial inquiry commission that had been set up by the former government, an act that had been undertaken by the government only after the St. Lawrence seaway closed. Despite repeated requests by the Canadian labour movement to the government to take some action to deal with this problem, the government refused to take any action until it was forced to do so following the closing of the St. Lawrence seaway by the Canadian labour movement. That was the way in which the government of the day acted. Those are the circumstances in which the commission was appointed.

We received the report of the commission and within a matter of two weeks the government decided to accept the major recommendation of the Norris inquiry, namely to impose a public trusteeship on all the maritime transportation unions. Before making that decision we had consulted with the Canadian Labour Congress. We had secured its co-operation. We had received the full assurance of all affected unions, save and except the S.I.U., that they would accept the trusteeship in the interests of cleaning up what all of us admit is a dreadful situation in this particular segment of the Canadian labour movement on the great lakes. There is no difference between us on that point.

I hesitate to review again the circumstances which obliged the government to delay the introduction of legislation until this particular part of the session. But the fact of the matter is that the officials of the justice department advised the government that it would be impossible to prepare the legislation, to examine each of the constitutions, each of the collective agreements in a short time; that this work would take most of the summer. And that work did take most of the summer. We have a resolution on the order paper. We had a bill ready and it will be introduced if and when this resolution is accepted by the House of Commons. Surely that is sufficient evidence of the determination of this government to proceed along the lines of its announced policy of last July.

When this decision was made it was evident in this house that any person who believed in free labour felt that the house of labour should be given an opportunity to put its own house in order before the government would step in with what each of us regarded as an unprecedented act. That is why the pilgrimages have been undertaken; that is why the travels have been made. It has been in an effort to provide an opportunity for an interunion arrangement that

would be entered into by the Canadian labour centre in Ottawa and the United States labour centre in Washington. If at any time the Canadian labour movement says that the terms that may be under discussion are unacceptable, that ends the matter. It is a decision that must first be made by the Canadian Labour Congress in the light of its responsibilities to its own members. That is why in this past week I have not asked the house to deal with this resolution, because I thought this effort had to be continued until we were all assured that it offered no possibilities.

I want to assure you, Mr. Chairman and members of the committee, that just as soon as I am convinced, and the government is convinced, an effective alternative is not possible with a private arrangement, the Canadian government will proceed at once with its public trusteeship legislation.

Mr. Martineau: Would the minister permit a question? If I understood him correctly he stated in regard to the longshoremen's dispute that the only possible line of action for the federal government was the appointment of a mediator.

Mr. MacEachen: Mr. Chairman, it seems to me there are two major alternatives, either to stop the normal course of collective bargaining by preventing a strike by law at this stage, or to pursue that other line of reaching a settlement through the mediation process, and surely mediation would be the first step to secure a settlement without the imposition of Canadian law?

Mr. Martineau: I asked the minister that question because the other day, in answer to a question put by the hon. member for Ontario, he stated that mediation was only one of several possible steps that could be taken by the government. I wonder if he would now reveal what these other steps might be.

Mr. MacEachen: I think in the circumstances it would be quite imprudent, as I have already stated, to prejudice the work of the mediator by indicating what further lines might be followed.

Mr. Brewin: Mr. Chairman, I am glad that the Leader of the Opposition has used this opportunity to bring before us a matter of grave and urgent importance, and that is the breakdown of law and order as revealed by the Norris report.

I know that my hon. friend, the Minister of Labour, is struggling with a difficult situation. I know he has to listen to advice and put up with the pressure of many people and many interests, and I for one do not blame him for seeking consultation with his opposite number in the government of the United States; because that government is, and may well be, directly concerned with the matters in question here. Indeed, it is the duty of the minister to keep in touch with his opposite number in the United States government. I share, along with the other members of this party—and I think I dare speak for all hon. members of the committee, or most of the hon. members—and most of the Canadian people, a very deep distaste for any suggestion of government intervention by trusteeship in the internal affairs of a trade union, or indeed of any other voluntary organization.

But, Mr. Chairman, I want to repeat, reiterate and re-echo one thing that the Leader of the Opposition said, and that is that I do not believe the people of Canada will tolerate any sort of a compromise, or so-called solution, that in any manner, direct or indirect, leaves Banks or his associates in a position in which they can influence in any way the future of the maritime unions of Canada.

Mr. Banks has been described in loving detail, not only by Mr. Justice Norris but, in his own inimitable style, by the Leader of the Opposition. I will not attempt to rival their colourful language, but may I be permitted to summarize in my own way Banks' achievements in this country.

He was able to use a trade union, with the co-operation of shipping companies, to undermine and destroy democracy in an important section of the trade union movement. He was able to establish a reign of terror on the Canadian waterfront. He was able to employ fraud and defamation to achieve his purposes and enrich himself at the expense of Canadian seamen. Above all, he was able to defy the laws of the country openly and repeatedly.

Throughout the long story of violence, intimidation and illegality, the law stood mocked and impotent. The fault was not the fault of the members of the S.I.U. They were cowed and intimidated. Those who attempted to employ the democratic rights conferred on them by the union constitution were victims of violence or were soon without a job. The fault did not lie in the organized trade union movement of this country. Four years ago the S.I.U. was expelled from the ranks of legitimate trade unions in Canada.

The fault lies with Banks himself and his associates, and it also lies with the shipping companies who conspired with Banks to mock and to defeat the law of this country. Furthermore, it lies with the complete failure of law enforcement by those responsible for it. It lies with laws that lack teeth, and it lies with the effective exercise of influence in high places.

Today the Leader of the Opposition, as is his wont, sought to make great political capital out of the failures of the previous Liberal administration. I must agree with some of his structures; but since he is fond of biblical quotations I will give him one or two to ponder. "Let him who is without fault"—I should say sin—"cast the first stone"; and there is another one about hypocrites casting the beams out of their own eyes. I apologize to the committee for stumbling over biblical quotations but I have not, like many other hon. members, been directly trained in theology.

I ask the Leader of the Opposition—and he does not need to answer me now—what happened in the battle against S.I.U. lawlessness during the years from 1957 to 1963 when the right hon. gentleman headed the government of this country? There are some revealing incidents reported in the Norris commission report. I do not propose to read from them at length, but at page 54 of that report there will be found a brief statement of what the personnel manager of the C.S.L. stated to the head of the union whose rights it was about to tear up at the request of Mr. Banks. He said:

> Did you read the statement I made a couple of days ago before our management assocations? There are no teeth in the labour laws. Have a look at the act. First of all you have to go to the minister and get permission to prosecute. That will take you a couple of months. We will kick it around in the courts here for a year and if necessary we will take it to the Supreme Court of Canada. That will take about two years.

Then he says:

> We have assurance from Mr. Banks of indemnification. By this time you will be out of business if you do not get your dues coming in, you know that. That is the way of life.

That is the head of the personnel department of the Canadian Steamship Lines speaking to the man whose rights he was about to tear up. The thing gets worse and worse, and this is what I want to test the Leader of the Opposition with, and see if he or his former minister of labour have any explanation.

A Mr. Scott Misener, the president of one of the smaller companies, writes a letter to Mr. Bernard Wilson, who appears to be a high official in the Canadian Department of Labour—the director of industrial relations. In that letter, which is dated 1959, he says this:

> Dear Mr. Wilson:
>
> This is to inform you that Scott Misener Steamships Limited and Misener Holdings Limited have signed an agreement with the seafarers' international union of North America—licensed division.
>
> This, of course, we realize is against the Labour Relations Act but, under the circumstances that I have explained to you, we have no alternative but to do so. There is also a copy enclosed of a letter from Mr. Banks indemnifying our companies from any lawsuits, etc. that may arise out of signing of his agreement.

So, Mr. Chairman, I call the attention of members of the committee to the fact that as early as 1959, when the administration headed by the right hon. gentleman was in power, a high official of the Department of Labour was informed by the president of a steamship company that he proposed to defy the law, to tear up his agreement with another union, and to enter into an agreement with Banks that he knew was illegal.

He informed the Department of Labour of this fact in 1959 and he forwarded a copy of the indemnification agreement in which Banks had the insolence to write and say to the effect, "If you disregard the law of Canada I will indemnify you against the result."

Absolutely nothing happened.

Mr. Jones: We appointed the Norris commission.

Mr. Brewin: Yes, in 1962, three years later; and the reason for that was because a union, the Canadian brotherhood of transport workers, tied up the Welland canal as a demonstration that the government had to take action; and it was forced to take action in 1962, three years later.

I think the important question which faces the people of Canada is this: how long should we tolerate this sort of lawlessness? I repeat: it will not do to have any solution or so-called solution which involves agreement with those who have broken the laws. I know the Minister of Justice is receiving a report from his legal advisers as to possible prosecutions arising out of the matters with which we are dealing. All I can say is that those responsible for this defiance of the law, whether they be Banks and his associates or whether they be steamship companies, should be prosecuted for their defiance and evasion of the laws of this country.

Mr. Starr: May I ask the hon. member a question? May I ask him whether he has acted as solicitor for the S.I.U. at any time?

Mr. Brewin: I could give the hon. gentleman a technical answer; the answer is, no. But I have acted as counsel for Mr. Banks for a short period in a libel action. I should have thought the hon. member for Ontario was sufficiently aware of the legal practices of this country to know that those who are engaged in their duty as counsel are in no way involved in the affairs of those for whom they happen to act, sometimes very briefly, as I did, in a purely technical matter some time ago. I have not been involved with Mr. Banks in any shape or form; neither has this party.

Now I want to ask the former minister of labour a question. Was he aware of this letter which was sent to his senior officials, and why was no action taken? Let the hon. gentleman answer that question. A little less of this "holier than thou" attitude on the part of the official opposition would be helpful in reaching a solution of the issues raised by these serious matters.

I do not think there is anything further I can add except to say that we in this house, without casting stones at each other, should consider very seriously the grave issues which have been raised, and even though it may be necessary to do unprecedented or distasteful things we should make sure we take action which goes to the root of the grave situation disclosed by the Norris report.

[*Translation*]

Mr. Perron: Mr. Chairman, since we have been criticizing a labour leader for the past two hours, I trust that my colleagues will allow me to make a critical review of the past record of the two old parties.

Not so very long ago, and we still remember it today, when the government party sat on this side of the house with us, we often heard them criticize the indecision of the then Conservative administration, the government of indecision, they called it, for the past five years. I wonder today, after a few months of administration by the present government, whether the people are not telling themselves: we no longer have a government of indecision but a government of bad decisions.

Mr. Chairman, when one considers the change of attitude and the about-turn effected within barely a year in our country by the members of the two old parties, one wonders if that would not actually be the basis on which the people could pass judgment on them, perhaps more easily than we think.

When we consider especially their about-face, following the remarks made last night by the hon. member for Burnaby-Coquitlam (Mr. Douglas), I think that our Minister of National Defence (Mr. Hellyer) would deserve, in the opinion of the Canadian people, the title of minister of war.

Hardly a year ago, we heard statements for and against nuclear weapons; we accepted them and signed a treaty through the Minister of National Defence. Contrary to the usual practice of the house, the treaty was not approved by the house, but the government made no bones about it and placed us before an accomplished fact.

We were blamed in the past for our indecision, for the failure to produce those very important documents concerning nuclear agreements with our neighbours. The same request is turned down today, and I wonder whether the title of minister of war would not be more appropriate than the one of Minister of National Defence.

As for the Department of Agriculture, we were informed recently that from now on the Canadian wheat board and wheat sales to foreign countries would come under the Department of Trade and Commerce. I remember that, last year, the then minister of agriculture had succeeded in disposing of a very large quantity of surplus Canadian wheat and the possibility, and there was even some discussion on the necessity of creating a second Department of Agriculture to meet the needs of this country. Today, we see a Department of Agriculture taking out the wheat board from that field in order to transfer it to the Department of Trade and Commerce. Of course I realize that it looks somewhat more commercial, a little more like trade; this happens perhaps because we are used to following in the steps of others and because we are closely linked with the most commercial country in the world which Great Britain was at one time, and because it is hoped that Canada will one day rank second among trading nations.

As far as the Minister of National Health and Welfare is concerned (Miss LaMarsh), I think that her case will be dealt with as quickly. The would-be mother of contributory pensions in Canada links the first legislation on pensions to a tax increase, to justify a raise of $10 a month for the beneficiaries of state pensions, those people who have given quite a few years of their lives to build this Canada which we, of this generation, inherit today. I, therefore, believe that it would hardly be wise to look upon her as the mother of pensions, more particularly if we think of the contributory pension scheme mentioned by her. When we look at the result, I wonder whether it is really of interest to sponsor such legislation. It has only led to further misunderstandings and another quarrel between two provinces and the federal state.

In regard to the President of the Privy Council who was made responsible for the survey on biculturalism, I wonder, like all those who are used to reading thrillers, if he is quite certain to be looked upon as agent X-13 in those suspense stories in regard to the promotion of bilingualism, when, in a recently established department, I mean the Department of Industry, we find that among the high officials who are occupying 230 key posts, all they had to say, in respect of the absence of bilingualism among the high officials of that department was: We could not go and take away officials having the required qualifications for those important functions from existing departments. Consequently, there are only unilingual people in charge of

the department. I would like to know whether the new agent X-13 is not being taken for a ride, as we would say among French Canadians.

Now let us consider other decisions. We have also a Post Office Department. I still remember and it was not so long ago, hardly six months, the various inquiries made by today's Postmaster General (Mr. Denis) who wanted to know whether the then postmaster general, (Mrs. Fairclough) had not thought of putting some mint-flavoured glue on the back of stamps because, as he said, it had been tried in some countries.

The hiring of additional mailmen was also sought on various occasions or during the Christmas period. In addition, an increase of expenditures by the Post Office Department was asked. I am wondering today if, instead of speaking of mint-flavoured glue on the back of stamps, the Canadian people are not tasting a famous fish glue with the increase of postal rates in the country?

And that is not all. According to a statement made in the house by the hon. member for Villeneuve (Mr. Caouette), I wonder if we should not do as previously proposed in certain provinces, that is establish a department of patronage in the Liberal party.

Let us consider another department, the Department of Finance. I still remember that, during the last election campaign, our hon. friends opposite went around in Quebec making fun of the utopian formula of Social Crediters; I wonder what solutions the economists of the Liberal party have found and especially the Minister of Finance who seeks advice, everyone knows where, to draw up his new budget.

I wonder what the people think of this new 11 per cent tax on materials, which has been withdrawn to be replaced by a 4 per cent tax? I wonder if this action was not taken to enable powerful trusts to purchase and store surplus materials which they will later put up for sale to realize supplementary profits when small contractors do not even have the necessary means nor the credit to promote their own little businesses. In my opinion, those are bad policies and decisions.

The same applies to a chairman of the Canadian stock exchange or a chairman of the Montreal stock exchange.

The 30 per cent tax on foreign investments is withdrawn and the tax on materials against small businessmen is maintained. Taxes against the powerful interests are withdrawn.

Mr. Chairman, I think that the people realize today that the mighty are in a position to defend themselves and that those who should be protected are always exploited and subjected to the increase in the cost of living on account of a system which has been supported here thanks to the two old parties.

And what about the president of the stock exchange, who today is the Quebec minister of revenue and who, through a feat of strength, succeeded in convincing the Minister of Finance to remove his 30 per cent tax on foreign investments in Canada? I wonder if such an action was not especially designed to neutralize the evolution now taking place in Quebec.

In my opinion, that is something the people once again will be called upon to judge. As a matter of fact, the people may be called upon to pass judgment on the old parties' attitude toward them sooner than we think.

A word now about the Minister of Public Works (Mr. Deschatelets) who, early this week, invited us to visit the world fair site during the week end.

Yet, it was only about 15 days ago, following the use of electronic brains and I.B.M. machines, that we were told that the world fair probably could not take place before 1969.

I quite understand the reason for electronic brains and I.B.M. machines when I consider that, in a country as big as ours, and especially in as large a province as that of Quebec, islands have to be built. I wonder whether there was not a special reason for electronic brains to be called upon to decide when the world fair will take place?

Maybe they wanted a way out in case the world fair should not be held in 1967, for fear of something happening like the demonstration which took place recently at the Place des Arts, in Montreal. If such demonstrations keep up, I feel it is because there is a reason for them.

An hon. Member: Which one?

Mr. Perron: Mr. Chairman, my hon. friends may keep on interrupting me, their cutting in on me does not disturb me in the least. I am simply reminded of an old saying of the renowned fabulist: "Let men of good will do as they should do, and let others boohoo".

Mr. Chairman, I am fully aware of the heavy load of work which is weighing down our ministers, and more particularly the Secretary of State (Mr. Pickersgill). He attends regularly the meetings of this house, he has a lot of work to do, but in spite of all that his position is rather sticky. Indeed, when one has promised two flags to the Canadian people, it is extremely difficult to choose only one; when one has spoken of giving Canada two national anthems, it is not easy to decide upon a single one.

I realize that the Secretary of State is also tied up with the various problems of the C.B.C., and it pains me greatly to have to chide him, when I think of his tremendous task.

As for the Minister of Northern Affairs and National Resources, two bills have been brought in during the present session: Bills C-83 and C-84, both relating to the Northwest Territories.

The purpose of these pieces of legislation seems to be the formation or the creation of two new Canadian provinces. Let us remember, however, that for 97 years our ten provinces, supposedly united by a confederative pact, have witnessed constant bickering between federal and provincial authorities; I wonder whether it would be advisable today to create two new provinces? Unless, of course, the idea is for them to replace such provinces which are threatening to withdraw?

But the biggest bills introduced in the house during this session are those dealing with the north.

Mr. Chairman, we can also ask ourselves what all the members who hope some day to join the cabinet think, particularly following the election campaign launched in this country on February 7 last.

I wonder what the members are thinking who hope to become ministers or even the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) and especially our ultra-nationalist member for the Îles-de-la-Madeleine (Mr. Sauve) who had so carefully prepared his speech on bilingualism in Canada. What was his reaction when he learned today of the reappointment of the chairman of the Canadian National Railways, even prior to his appearance before the sessional committee on railway, air lines and navigation?

What do these hopeful members for a cabinet post think today of their party? During the election campaign the Liberals, and especially the member for St. Jean-Iberville-Napierville, talked about the rainfall of dollars that Social Crediters would cause to fall on the Quebec people. However, the people of Quebec did not see any dollar rainfall, but the country inherited a tax storm under the Liberal administration.

I understand that a program known as the 60 days of decision had been prepared. During that period, the economy was supposed to start rolling again, and the Canadian taxpayers' problems were to be settled by the Liberal team during that same period.

I wonder today whether the people are not thinking the matter over and wondering if the famous 60 days of decision are not in the process of becoming the tales of the Arabian nights.

I wonder if, after those Arabian nights, we will not have the story of Ali Baba and the 40 thieves.

Mr. Chairman, I understand also that, in some quarters, when a vote was taken recently, we were threatened and asked: Do you want an election? I can assure the house that it is not an election, near at hand or far off, that will impress those who represent the voice of the people here, those who had no election fund to wage their campaign. And, at that time, I could hear the voice of the hon. member for Lotbiniere (Mr. Choquette) who seemed greatly interested in finding out whether or not we wanted an election soon. I advise him not to worry because, at the next election, I will help him in Lotbiniere the same way he came to my help in my riding of Beauce.

Mr. Choquette: You should come because your candidate lost his deposit.

The Chairman: Order. The member who is speaking should not be interrupted, unless he agrees.

Mr. Perron: Mr. Chairman, I say it again, we are here not to represent the private interests of a group nor those of the financial powers of the country, but rather as representatives of the people who elected us to make heard the voice of those who are suffering and who, unfortunately, are forced to remain silent under the threat of patronage, afraid of the masters of finance and patronage.

We also want to make heard the voice of the people with regard to agriculture. There is on the order paper a resolution to appoint a minister of agriculture for eastern Canada, but we are still waiting for that measure to be presented. However, as head of that department, some bills have already been signed by the minister of agriculture for eastern Canada, and without anything having been done about his appointment.

What is being done about agriculture in the east? The premium on milk was abolished only a short time after the appointment mentioned. A sales tax on building materials, which affects farmers just as much as city workers, was levied.

Mr. Chairman, I wonder if those who speak of stimulating the economy to enable eastern farmers to take their rightful place in Canada are truly serious.

If the present Minister of Agriculture (Mr. Hays) wants to fulfil every function and carry out every task, it seems to me that he should also be concerned with the lot of eastern

farmers. He should look after families which have lived 25, 35, 50 or 100 years on the same farm, families of eight to ten people who have lived on the income from their farm and who, in 1963, when we have devised means of sending men to the moon, are unable to make a decent living with the income they derive from the family farm.

I can understand that schemes such as ARDA should be established, but do you know how the implementation of that program is envisaged by some people?

In some areas of the province of Quebec, a policy of what could be called decolonization is being practised.

We have an example of that in my own riding and in the constituency next to mine, Dorchester. This is what is being done under a plan of social welfare. Heads of families cannot make an honest living; they are unemployed six months a year because they go to work in the state of Maine. When they come back and find that they cannot live decently from the income of their farm, they submit a request for social assistance.

And what is done? The first advice they get is to leave their farm and to go and live in a village or a town. For, if they remain on their farm, they will not be able to benefit from social welfare legislation. But as soon as this family head leaves his farm, the Liberal party favorites of the community can be seen buying the farm to control it and then probably put it to use under ARDA. Or perhaps they want to establish collective farms? I do not know.

Mr. Berger: Mr. Chairman, would the hon. member allow me to ask him a question?

Mr. Perron: After I am through with my remarks.

Mr. Chairman, when we speak about the income of our farmers in eastern Canada, we do not speak through our hat if we say that their complaints are justified today. As a matter of fact, if we look at the figures tabled in the house on June 13, 1963, showing the average income of Canadian farmers, we can see that in 1950 their total income amounted to $1,219,757,000, while it reached $1,630,310,000, in 1962.

Using the same chart, it is noted that in 1950, the Quebec farmers' income was $211,416,000, whereas in 1962 it was only $179,668,000. Whereas there has been an increase in the farmers' revenue for the country as a whole, in the province of Quebec it has decreased from $211,416,000 to $179,668,000.

What is the reason for that situation, if not poor administration, and lack of foresight with respect to the needs of the eastern farmers? This amply justifies the establishment of this new department of agriculture for eastern Canada, which will be in a better position to understand the needs of our farmers who are operating family farms.

Now, in order to give additional assistance to families, there is among social measures one called family allowances. We hear no more about it in Liberal circles.

I see that the hon. member for Lotbiniere (Mr. Choquette) is applauding. I know he spoke about it in his constituency and I know that throughout the province of Quebec the Liberal party promised an increase in the family allowances immediately after the opening of the session.

An hon. Member: It is untrue.

Mr. Perron: I still have in my desk a folder issued by my opponents. Not only did they mention it in their speeches, but in their written material as well.

An hon. Member: It is false.

Mr. Perron: Is there a measure which requires more attention and more consideration? We have only to consider the hardship which prevails among large families.

I have here before me resolution No. 67 of the labour congress, which met in Philadelphia in 1947, wherein are clearly set forth the fundamentals underlying family allowances. I quote:

> Society should normally co-operate with parents through general assistance measures designed to ensure the well-being of dependant children.
>
> (1) Public subsidies, in kind or in cash, or in both forms, should be used to bring up children in healthy surroundings, to help support children of large families and to supplement provisions for children who come under the family allowance plan.
>
> (2) When the aim is to bring up children in healthy surroundings, subsidies should be in the form of advantages such as free or cheap food for young children, school canteens and for families living in low rental housing units or having several children.
>
> (3) When the purpose is to help support large families or supplement provisions for children, by providing advantages in kind or provisions established under social insurance, subsidies should take the form of family allowances.
>
> (4) Such allowances should be paid, regardless of parents' income, according to a set scale that would represent a substantial contribution to the maintenance costs of the child and would make allowance for additional expenses required for older children.

That is a principle we should endeavour to follow more and more, because our economy must be increasingly distributive; otherwise we shall fall into collectivism, when individuals lose their personality and the family, the very foundation of society is dismembered. Collectivism will be detrimental to the family, and if we do not act promptly, we might have cause for regret.

So, Mr. Chairman, I suggest it is high time that we should raise the level of family allowances paid out under the family allowances act—and that as soon as possible—and at the same time set up a bonus system on milk production in order to help milk producers and provide for the setting up of secondary industries in our country.

At the present time, momentous changes are taking place in the province of Quebec, and we see more and more slogans like this one: "Masters in our own house". Such a slogan should not be only an election incentive. We can definitely become masters in our own house and for that purpose, we should first of all start thinking. I am aware of the sovereignty of the house over its own institutions, over the Bank of Canada and if there is one area where we should really use the Bank of Canada to handle new credits and thus increase the purchasing power, this is it. It is not for nothing that those social security acts catch the eye.

Instead of levying a 1 per cent personal income tax to pay for old age pensions, instead of postponing any longer the increase of family allowances, why do we not, on this one occasion, use the Bank of Canada, the same way it was put to work during the war when the time came to launch defence activities for the construction of war plants?

Then surely, it is high time, that we should use that same Bank of Canada; it is time that we should amend the Bank of Canada Act and that the bank should really work in the interest of the house, of the people and of the nation.

The Bank of Canada will be in the service of Canada when, without jeopardizing a sound economy, it will meet the needs of the human person. So long as we cannot satisfy the needs of the people, so long as we accept budgets, we will always be hamstrung by those budgets and we will never succeed in promoting the full flowering of every citizen by following a system which makes the human person subservient to money instead of money being in the service of man.

I wonder whether today we should not view that false philosophy in another light. Instead of moulding men, I wonder whether the government should not respect the yearnings of men and of families, allowing them to live as they should in a country with tremendous resources and a production which can meet the needs of one and all. Everybody needs food, clothing and adequate housing in the country. It is nothing else that is wished for by the Canadian people, by the farmers, the workers on the farm, in the city and in the plants.

The small businessman realizes very well that something is not running true within our present system. Most of the time, he is overburdened by taxes.

But come the next election campaign, our politicians will come back before the people and I think that once again, the province of Quebec will live up to its motto: "Je me souviens", which is close to our hearts.

Mr. Drouin: May I ask a question?

The Chairman: The hon. member for Beauce's time having expired, he cannot be asked a question.

[*Text*]

Mr. Hamilton: Mr. Chairman, this morning an effort was made to adjourn the house to discuss a matter of urgent public business. One of the reasons advanced in seeking this adjournment was the suggestion that, as a result of the type of motion now being discussed, we might not be able to concentrate our attention on this very urgent matter. Events of the last few minutes, I think, have indicated that this fear was valid. As we listened to the Minister of Labour making his serious-minded defence of the government today, I am sure it must have passed through the minds of many that here was a man dedicated to his own righteousness putting forward a group of platitudes, the like of which we have not heard in this house for many months.

Who is attacking the rights of free labour? Who is attacking the essential principles of freedom in this motion? There is no intention in our motion except the moving of this grain to the markets. Yet we have this red herring drawn across our path. And worse than that, the minister, by the type of statement he made, blamed for his own ineptness and the ineptness of his colleagues the civil servants in his own department. This was the significance of reading out all the steps he was taking. He was not content with putting the blame on the heads of his own department, but he also put it on the heads of the Department of Justice.

I think it is about time that the men who prowled this country in the years 1958, 1959, 1960 and 1961 saying they were confident that only they could govern Canada, and only they had the ability and experience to govern, should face up to the fact that they have made a miserable mess of their efforts in the last six months.

Mr. McIntosh: Amen.

Mr. Hamilton: When I hear a member of a Liberal government speaking about applying force to labour, I ask, who was the government in power in 1950 when the railway unions were forced to their knees by

legislation passed in this very house by the party which now occupies the benches on the treasury side of the chamber? Our motion this morning was to provide an opportunity to explore the seriousness of the situation that is now before us. It was to give the house an opportunity to hear a statement from the government about what it planned to do to take advantage of this wonderful opportunity that had been given to us. I wonder if we fully understand the significance of this grain movement at this time in our economic history. It is not just a matter of moving 230 million bushels to the Union of Soviet Socialist Republics. It is a matter of an opportunity to make sales of wheat to regular customers which, with the big sales to China and the extraordinarily large sale to Russia, would enable us to move this year close to 550 million bushels of wheat into foreign markets. This amount of wheat has a value of over $1 billion. This is the value of this one item of export alone. This means thousands of jobs for Canadian workers. This strike means, as the newspaper reports indicate, a loss of $2 million a day to the harbour of Montreal alone. On the sale of wheat to China alone it has been estimated that the port of Vancouver benefited to the extent of $48 million in wages to the men who worked on the dock, the longshoremen, in wages to the men who worked in the terminals, the railway workers, and so on. This sale surpasses by far even that tremendous over-all movement.

I would like to mention at this stage that the tremendous opportunity we have at the moment is being hurt, and perhaps nullified by the reluctance of this government to plan together, each member of the cabinet, and decide upon a course of action. This negligence on the part of the government is hitting the port of Montreal. That port, due to the economics of moving grain today, is becoming a marginal port. The whole economic tendency is to move grain further downstream and keep it below the ice in order that it may have access the year round to the markets of the world. This is the worst period for Montreal in which to have a strike. I point that out, Mr. Chairman, because this question involves not only the western farmer losing the sale of his grain, but we have a good, hard commercial competitor to the south who has over a billion bushels of grain to sell and who is willing to sell it, if I understand the newspaper reports correctly. Therefore I should like to suggest that this is not an ordinary labour dispute with management in which one should use the tried and true techniques of labour officials dealing with the matter of a strike in the ordinary way. This is a type of strike that hits at the vitals of the Canadian economy.

The Minister of Finance sits in his seat. He knows that this government had a heaven-sent opportunity this year to come close to balancing our international payments. He knows this sale will not only be for this crop year, but will continue in part for next year as well. He knows these markets are going to continue, and we must not endanger them because this very precarious position we have had with regard to our balance of payments for the last 10 or 15 years can only be met by expanding our exports and, as the minister himself has said on other occasions, by producing more in Canada. It was a heaven-sent opportunity to help the Minister of Finance, and because of the bungling and lack of cohesion in the thinking of the ministers over there, this sale is now in danger.

Our purpose in moving the adjournment of the house was not to interfere in any legal strike but to bring to the attention of the government that this was not a picayune question between the longshoremen in Montreal, Three Rivers and Quebec and the shipping companies; that this was something that hits at the whole economy of our country and is just as serious as was the railroad strike in 1950. The Leader of the Opposition divulged to the house today part of the record in this regard to indicate that this is not just a strike in the narrow sense of the word; that this is not a local strike but is a matter of national importance. Above all he laid before us something which I believe is a fact, that this strike in Montreal, Three Rivers and Quebec is a part of a struggle between the unions of Canada to preserve their own independence, and the desire of international unions to control labour unions in Canada. That I think is the essence of the problem. This connection between Hal Banks and the longshoremen, Hall and Hoffa is part of a struggle that the United States government as well as the Canadian government has to face up to at the earliest possible opportunity.

This is not just a question of the western farmers moving their grain. It is not a question of the eastern farmers getting enough grain to feed their livestock and poultry this year. It is a matter of great importance to our future as an independent and sovereign nation. Perhaps I am a little biased, but this government strikes me as one that is too fat to fight and too frightened to run. I do not try to go about this country causing difficulties in the movement of grain. I have tried to help, and all we get in return for trying are statements that they do not need advice. "We know everything. We have all the answers", has been their attitude; and today

we heard the most startling of pronouncements when the Secretary of State, when talking about Hal Banks, said he was not one to repudiate his friends. He does not have to go that far to show his loyalty to Hal Banks, because he is holding up the whole operation of this tremendous grain movement.

An hon. Member: Nonsense.

Mr. Hamilton: Somebody says "Nonsense". You will find out how much nonsense it is when you go back and present your record on this to the country. Instead of 60 days of decision this period will become known as the Pearson program for panic. Two weeks ago today I made six proposals which I hoped the government would take into consideration, because they might have helped to move this grain. I did have some experience of difficulties in moving grain in 1961 but, I might say, on a much smaller scale than the tremendous difficulties which now face the government.

In the spring of 1961 it came to my knowledge that there was a possibility of a substantial sale of grain to China, not only for cash but a larger sale that we could arrange for credit. I asked those who are qualified to advise on these matters how much grain we could move through the four western ports. I was told, after due consideration had been given to my question, that the maximum amount of grain we could move through the four western ports was 15 million bushels a month. This was the advice of men who had spent their lives in the grain business. It was advice based on the experience of years in the business. Naturally, as a minister I am elected by the people not only to listen to the advice of my officials but to use the brains that God gave me. When you have an opportunity to sell grain and they tell you that all these difficulties are in the way, you try to find ways around them. So after asking a few questions as to what the difficulties were and finding out that, as is natural when so many organizations are concerned in the matter, each organization blames the other, I did what I thought was the natural thing to do: I called these 17 or 18 organizations to one meeting in Vancouver and put my problems before them.

I did not tell them to which country we were hoping to sell this grain, but I did say this could be done through the west coast ports if they could increase their capacity. Those same gentlemen, who had been telling me for a week before all the reasons for not being able to move this grain, settled this question. They sat down with their opposite numbers in the other groups, put their difficulties on the table, elected their own chairman, and within a week they came back with suggestions to improve the situation on the railways, grain handling, on the docks, on the prairies of Saskatchewan and so on. They were able to come back to me some weeks later and say, "We now have a capacity of 21 million bushels a month". That was an increase of 40 per cent. This was obtained by a group of men some of whom had told me there was no possibility of moving more than 15 million bushels a month. It was done by working together, and there was no extra capital cost required.

I want to emphasize that among the groups there was the longshoremen's union and the union for the terminal workers. Those labour men gave me their word that they would co-operate. They said they had in their contracts with their employers certain terms with regard to double and triple time, but they did not take advantage of those terms; and they offered to train new men to handle more grain. Those men kept their word, and when their contracts ran out last fall and they asked for a certain percentage wage increase, an increase which the unions at the head of the lakes had received when they asked for it, and they did not get it, they did not go on strike; they honoured their commitment to keep that grain moving because they had made a pledge to the minister, not to me personally but to the people of Canada that the grain would move forward to communist China.

In the light of that experience I suggested two weeks ago that there should be an immediate calling together of all the groups which deal with the movement of grain through the eastern route, through the St. Lawrence; that these groups should include the labour unions not only on the docks but those concerned with the terminals, and not only those at Three Rivers, Montreal, Quebec and Sorel but those in the Atlantic and the downstream ports. I suggested that the government should put before them the fact that in the national interest this was a great opportunity and they should consider these matters in the light of national responsibilities. I think if the minister had gone to the unions directly—because they are Canadians, they think as Canadians and they are not one bit different from the union men in Vancouver—and given them an opportunity to see how they fit into the over-all picture, they would have made every sacrifice. The same holds true for the shipping companies.

I gave the minister this experience because I think it has a bearing. However, there was nothing done about this suggestion. There was a meeting between the government and the railways, and a good system of allocation of box-cars was worked out; but this should

have been done with all the groups associated with the moving of grain to the St. Lawrence area.

I am sorry to say that the second suggestion I made has become a bit of a political football. For the last 40 years there has always been a disturbing thought in western Canada that there are interests opposed to the movement of grain through Churchill, and this disturbing thought never seems to get pushed far into the background.

I have no doubt in my mind that the Canadian wheat board and the government officials must have told the Russians about the operation of Churchill. I am sure they must have; but unfortunately the Russians were not impressed sufficiently to want to change the shipping which they had already arranged. This was commercial shipping, and the situation as I understand it is that commercial shipping will only be using Churchill until October 20.

Western Canadians, rightly or wrongly, feel that the shipping period from Churchill can be extended beyond October 20. They know there is no difficulty with ice, even though they know that there is a little difficulty with slush along the docks. They know the federal government will also be willing to provide icebreakers and they should know—I hope most of them do—that it is because of the insurance regulations, which are not made in Canada, that ships stop coming into Churchill after October 20.

This is an outstanding opportunity to try and press forward with new ideas. The second suggestion I made two weeks ago was that the government—because the wheat board has nothing to do with this question of insurance on the oceans—should go to the Russians and say, "We know you are hauling most of this grain on commercial bottoms, but if you have any ships of your own that you can collect together and move into Churchill, we will guarantee they will not only get into the docks and be loaded but we will also guarantee they get out with the help of our icebreakers."

I know, from the records of ice in the north, that we could extend that shipping season a minimum of two weeks into November and, if one wanted to take a little bit of chance, right to the end of November and a little longer; but you have to give a guarantee that the ships will get out.

It may be that it was not in the Russians' interests to direct their own ships to Churchill, and if that is the case then a second proposal should be considered. They should have been told, "If you can persuade any shipping companies to bring their ships in there, we will not only guarantee to get them out but we will pay the loss if any of them are damaged. That is how sure we are of that shipping route. In other words, it will not be necessary for them to worry about insurance from the London source."

I do not know if these two ideas would have been acceptable to the Russians, but I do want to know from the government if they were tried, because the minister's duty is not only to listen to the advice he is handed. A civil servant can only give advice within his experience, and no matter how dedicated and able he is, he only works within that limit; but the people elected as ministers can lift themselves above that level, and they will be judged on the success they have in the difficulties they meet, and not on their performance in coming into the house and reading out all the reports which the civil service gives them about this or that. They will be judged on their ability as ministers.

A third proposal I put forward at that time, two weeks ago, was that the government should go to the St. Lawrence seaway authority and ask them to extend the shipping season to a specified date. I have read in the press that the corporation has announced the shipping season will be extended, but that is completely useless. Men who control the movement of shipping on the ocean shipping lanes do not care for generalizations of that sort. They want to know if they go ahead and ship into the St. Lawrence, and maybe up to the head of the lakes, whether they can get their ships out again.

Shippers know there is no ice problem on the lakes and that it only occurs around the locks. I would say to the corporation, "We will come in and give you people our help to keep your locks free of ice, and we will guarantee those locks will be free of ice until such and such a date. Announce that date to the world and tell ships all over the world, 'if you come in we will guarantee you will get out' ".

That announcement has to be made, and there is no use in making a request to extend the shipping season a little bit. That is useless to the shipping people of the world unless there is a definite date guarantee.

The fourth suggestion I made deals with grain storage on the lower St. Lawrence. I mentioned in my introductory remarks that the economics of the grain market today suggest it is better to have grain-handling terminals on the lower part of the St. Lawrence where they have access to ocean shipping ways all during the year. There has been, of course, an enlargement of plants at Baie

Comeau and Quebec city, and there are requests in for other enlargements.

These matters were before me when I was minister and I recall the discussions we had to make sure—particularly if these terminals were being built by United States interests—that the interests of the Canadian producer in the west and the Canadian consumer in the east were protected in the licence issued for the new space to be set up. That is what we called the 40/60 formula, so that all that the American shippers could get in those terminals was the maximum of 40 per cent, on condition that they requested the board of grain commissioners to get it.

I now suggest that the board of grain commissioners should be asked to consult with the government and terminal shipping operators to make sure that every bushel of space available in those lower river terminals is reserved for Canadian wheat this winter. This is reasonable. All I am asking is that we exercise the rights we have under the licences. This is not only a matter for the producers of the country, and I am speaking now about all the terminals on the east coast, on Georgian bay and the St. Lawrence.

The question that has been in the back of my mind since the big Russian sale was announced, is that it is so easy for us, in our delight and general jubilation over the possibilities which this tremendous sale will have on the economy, to forget that there is a steadily growing market for coarse grains in eastern Canada, particularly for barley and low grades of wheat. This market will develop steadily until 1980, which is as far as we have projected, at which time it will be double what it is today.

The minister knows about this, and he has been making speeches to the farmers in western Canada telling them that they should take advantage of this opportunity. However, I am suggesting that he is not dealing with this in a practical manner. To make it practical you have to do several things.

I am speaking now about the eastern farmer and his need for grain. You have to guarantee him a stable supply, and you cannot do that, even by these new feed grain regulations brought in by the Minister of Agriculture, for the simple reason that the shippers make more money by hauling grain to the export markets, and they get more money out of storing that wheat for export than for storing domestic wheat.

My hon. friends who come from Quebec should be aware of these things because they are of more value to farmers in Quebec than the issuance of bogus money. You must give the eastern farmer feed grain at a price he knows is going to be stable. At present he does not know he can be assured of this, and once there is any hesitation in the flow of grain to the eastern market, the shippers know they can get more money moving grain for export and storing it for export.

Mr. Chairman, the following wire reached me at one o'clock today:

> Following protest sent government on behalf domestic feeders: vigorously protest discrimination by Canadian wheat board not allowing domestic markets to purchase any feeding grades wheat except immediate use. Now price advanced five and one eighth cents since Monday representing along with increase in water freight rates hundreds of thousands of dollars extra cost to domestic feeders. Captive domestic market treated unfairly in relation to export sales. If CWB uncertain over available grades for feed some provision for purchase at price levels prevailing early September should have been made.

This was signed by Mr. W. D. Dernier of the Maritime Co-ops, and I am simply pointing out to the minister that I was not being facetious when I made these proposals. I know of the considerations and difficulties of moving feed grain from western Canada into the eastern market. I know the attitude of the buyers, that they do not want to take any loss; and I also know the attitude of the farmers down east who want to use this feed grain at a stable price. I suggest to the minister that if he goes into the reports available to him he will find the evidence of what I am talking about.

Something has to be done. There is no use in going out to the western farmers and telling them to reduce their acreage and cut production by 10 per cent, and I would remind the minister that after all this fanciful talk his colleague the Minister of Agriculture recently went to Moose Jaw and said, "Boys, don't squander your money." Hon. gentlemen opposite have separated the wheat board from the board of grain commissioners and from the Department of Agriculture. But it is necessary to work together with the Department of Transport; and the board of grain commissioners has to be brought in, because in addition to its other functions the board has to handle all these elevators, a job which is of vital importance. I know that hon. gentlemen over there have many competent men working for them. These men know what to do, so why not get them all together and tell them you want to make this move forward?

I wish, now, to make a number of other suggestions which may be of less importance individually but which, taken together, may add up to the moving of a number of millions of extra bushels. One of my first memories as minister was a problem we faced because shipping companies on the great lakes had transferred their tonnage to the hauling of iron ore for stockpiling in the United States

because of an expected strike. I may say that the steel companies in the United States were not as negligent as this government has been; they planned ahead, and made arrangements for these ships to haul the iron into position. I suggest that now we are in an emergency, even if this strike stops tomorrow, or one week or two weeks from today. We should ask the shipping companies to reciprocate and turn these iron ore bottoms over to us so as to help move the grain. A move of this kind cannot be made by the wheat board. This, ordinarily, is a commercial operation. But let us put on the pressure of the Canadian people and ask these companies to serve our nation, as Canadian companies operating in Canada, by transferring their ships to us for the hauling of grain for the balance of the season. This is one suggestion which should be tried out for size.

The sixth suggestion I have to make deals with floating storage. This is the phrase used to describe the practice of storing grain in ships which have tied up for the winter, usually at their home ports—Georgian bay ports and great lakes ports. I suggest the minister should approach these companies and say: We want to use your space for storage. You will be paid the full rates and you will not lose anything; but instead of your ships staying in their home ports we want them to move into the ice free area of the St. Lawrence. If this were done it might give us twenty to fifty million bushels of extra storage in export position without the necessity of moving grain by rail.

I wish to conclude by making a few observations of a general sort. I have already suggested that in my judgment, because of the great opportunities we now have, it would be of tremendous value to the economy if we could, to use the words of a United States presidential candidate, get the country moving forward again. Ministers have to use some initiative. I know many of them are former civil servants bound together by their habit of fitting into the lock step of the civil service. No matter how brilliant they may be it is hard for them to get out of that lock step; but I appeal to them to forget this attitude of being civil servants and show some initiative.

The Chairman: Order. I regret very much to interrupt the hon. member but his time has expired.

Some hon. Members: Continue.

The Chairman: He can carry on, of course, if he is given unanimous consent by the committee. Is that agreeable to the committee?

Some hon. Members: Agreed.

Mr. Hamilton: That is very kind of you, Mr. Chairman. I am almost finished.

[Mr. Hamilton.]

The second suggestion of a general kind that I have to make is that all the ministers concerned should work together. I know how desirable this is from my own experience. It is necessary that the Minister of Trade and Commerce, the Minister of Transport and the Minister of Agriculture, besides, if you wish, the representative of eastern agriculture, who also has an important part to play, should come together, make a plan and go forward with it. If hon. gentlemen opposite rely on the advice of individual departments they will get lost in the morass. Bring these departments together and they will come up with answers; it cannot be done separately.

I have said all this, partly, I suppose, because I see such a wonderful opportunity and because I envy the opportunity which presents itself of doing something about it. But I am not over there on the treasury benches. The hon. gentleman and his colleagues are over there, and they have got to make these decisions. I know that what I call the Pearson plan for panic has been bothering them lately. I know that everything they have done has fallen flat on its face. But, I say to them: Do not let this one opportunity fall flat, please. Here is an opportunity for them to take their government out of its automatic shift type of attitude, where they shift every time there is opposition, and change it to one where they choose one gear and ride it for a while.

An hon. Member: Even if it is low gear.

Mr. Hamilton: Do not let us have any more statements from the Minister of Labour saying he is keeping a careful watch on the situation. That is the same sort of statement as has been given for the last 30 years. We do not want a watch kept on this situation: We want some action.

My final advice, to the government, Mr. Chairman, is: For heaven's sake set a course and follow it.

Mr. Douglas: Earlier in the day's sitting, when an attempt was made to adjourn the house I suggested that if the subject matter of that motion were left to discussion in the committee on interim supply the chances were there would be a wide variety of subjects discussed and that we would not be able to debate satisfactorily the topic which was of paramount importance. I think what has happened has proven the correctness of my contention. I think it is regrettable we did not have a debate on the particular subject of the longshoremen's strike, which is a matter of such great importance to the people of Canada. I do not wish to repeat what has already been said about how important it is, not only to the agricultural economy of western Canada but also to the entire economy

of this nation, that wheat should move in an uninterrupted flow from the prairies to the seaports and out into the markets of the world.

All Canadians were delighted at the agreements which were reached with communist China and the Soviet union. However, reaching these agreements and delivering the wheat are two different things and the task which now devolves upon the Canadian people and upon the Canadian government is to see that no obstacle is allowed to stand in the way of these wheat deliveries. That is why this strike is of such tremendous importance and why it could have such serious and far reaching consequences.

I rise for the purpose of pointing out to the government that this question did not arise overnight. The collective bargaining agreement which the longshoremen had with the shipping federation expired on December 31 last. It is customary to begin negotiations at least three months before a collective agreement expires. Yet when the agreement expired on December 31 nothing had been done to bring about an understanding. Negotiations dragged on until March, and in March the shipping companies made an offer which, as the Minister of Labour has pointed out, was accepted by the union executive but turned down by the membership. This was the offer of 12 cents an hour plus another four cents an hour fringe benefits, if I remember correctly. But the amazing thing is that nothing happened between that date in March and the setting up of the conciliation board a short time ago. About five months were lost and it was only when the membership of the union, or some of them at least, indulged in a wildcat strike which threatened to tie up shipping, and did for a day or two, that a conciliation board was established—the board whose findings were brought down at the end of last week.

Well, there is not much use crying over spilled milk, but I think the government should know that if there is any attempt to place blame they must assume quite a share of that blame for not stepping into this situation much sooner than they did. The Minister of Labour said this afternoon that the decision to strike was only taken last Sunday and he appointed a mediator on Wednesday. I am not complaining about that two or three day lapse. I am complaining about the months that went by last spring and last summer when absolutely nothing was done to bring this matter to a head and to try to mediate the dispute, and so have prevented the strike which has now broken out.

I should like to say that I hope the government will use all the influence it can to bring these two parties together. I hope that the government through their mediator will make the proposition to the men that if they will go back to work the government is prepared to set up another conciliation board and to let the decision of that board, if accepted by both contracting parties, be made retroactive. I think that under some such arrangement, by which the men are sure that delay does not involve loss of income, they might be prepared to go back to work. Certainly some concrete proposals should be put before these men and the companies as quickly as possible.

I think the government should know that parliament and the people of Canada are not in the mood to allow the dilly-dallying tactics of the companies to bring about a situation which could have very serious economic consequences for the people of Canada. I hope that the government and particularly the Minister of Labour will take notice that members of the house will be expecting not later than next Monday some report as to what type of proposals have been put before the men and the companies, and what response they have received.

[*Translation*]

Mr. Latulippe: Mr. Chairman, like many of my colleagues, I should like to comment on the present discussion concerning the $10 increase in old age pensions. First, I should like to assure the house as well as the people that I am giving my utmost support to this increase although I find it impossible to agree with the government as to the steps to be taken in order to secure the extra money required for such an increase.

The Liberal government's legislation to this effect seems most contradictory and it is rather hard for me to conceive that a government which pretends to protect the people's interest should once again be bold enough, more particularly in view of its notorious record in the field of taxation, including the 11 per cent sales tax, to secure, by means of a new tax, from the already thin budgets of private citizens, the capital required for the new legislation now under consideration.

Although they are attempting, by means of most disappointing economic theories, to prove that the private citizens' contributions will be tiny, not very large in the case of those whose income is low, the fact remains that private citizens pay proportionately more than the corporations and companies and that the burden lies once more upon the people's shoulders.

The Canadian corporations' income tax rate, including the provincial income tax and the old age security tax, is now set at 52 per cent in Ontario and Quebec and at about 50 per cent elsewhere in Canada. The Minister of Finance, Mr. Gordon, having been forced to

retreat from the requirements put forth by Mr. Eric Kierans, the former president of the Montreal stock exchange, did not want to draw once more the financiers' ire and as the people do not constitute, as the companies, a monolithic financial power except on election day, it was easy, by juggling figures to impose upon them once more a new tax.

According to the government's policy, the companies or the corporations would be too poor to assume the cost of this new tax. The corporation income tax reaches 50 per cent from $35,000 on without any limit as to profits, while individuals have to pay from 50 to 80 per cent on taxable income of $25,000 and up, which affects them more directly. Moreover, individuals have to pay succession duties and are taxed at the source, while companies do not pay succession duties and otherwise, pay taxes only after taking into account depreciation, not to mention the many fiscal advantages which are allowed by legislation.

Moreover, our authorities seem to ignore, in their truly Liberal wisdom, that at least 2,400,000 taxpayers do not earn enough to pay income tax, and that 10 per cent only of the taxpayers, that is about 700,000, are earning more than $6,000.

It is then quite easy to realize that our population cannot assume this new tax. Would companies be able to pay it? Certainly. Here is the proof.

In the financial page of the newspaper *Le Devoir* of June 16 last, a notice shows that stock listed on local stock exchanges—about 730 corporations—were worth $54,837,791,829 at the end of April 1963, compared to $52,503,742,402 at the end of the previous month. Listed stocks had then increased by $2,334,049,427 during April 1963.

In 1962, on a gross national product of $41 billion, re-invested profits amounted to $10,400,000,000 for prosperous companies, while human beings and families did not have the bare necessities of life. Were you aware of that? Have you thought of that? Do you admit it?

Humans are more important than companies' stocks on the stock exchange of Montreal, Toronto or Vancouver. Humans should have more influence on your administration than stock listings.

In a country such as Canada, what is more important, prosperity and increase in value of stocks of 730 companies or the economic situation of 18,800,000 citizens? Would stock listings be more eloquent in the eyes of our governments than poverty and complaints of 6,700,000 children under 16 years old who do not have the bare necessities in 2,800,000 Canadian families?

[Mr. Latulippe.]

If we take a look at the assets of the 8 chartered banks in Canada, we realize that from 1930 to 1961, those assets have increased by $1,970,729,464 or 11 per cent. As of January 10, 1962, the Bank of Canada has issued $2,097,659,244, while the credit issued by the eight chartered banks was $17 billion, that is about eight times the actual money in circulation. So, it is obvious that the situation is rosy for the directors of the large financial companies of our country, but the government, blinded by figures and dual sets of books sees only one solution to the problem, to impose taxes upon the people who are already overburdened by the increasing tax load.

In 1962-63 for instance, for old age security purposes, the sales tax yielded $302.2 million, personal income tax $237.6 million, and corporation tax $115.3 million, that is a grand total of $691.1 million. This is to say that corporations pay 16.7 per cent of the total amount, individuals 39.6 per cent, or about 2½ times as much as the corporations, and the sales tax absorbs 43.7 per cent of the cost, and who is paying the sales tax? The private citizens pay proportionately much more than corporations. Those figures are indisputable and they show that it is the private citizens who are footing the major part of the bill, not the corporations.

Now, when we analyse this government budget, either the whole budget or the interim budget that the Minister of Finance comes up with regularly, it is easy to see that the interests served are not always those of the citizens in general but of some privileged group. For instance, the estimates for 1963-64 provide for only 19.1 per cent to national health and welfare whereas the defence estimates represent 25.6 per cent. Instead of increasing the estimates of the Department of Public Works, which gets only 2.8 per cent, in order to create more jobs and so that a smaller number of Canadians may live on welfare, we increase the war expenditures. The cost of the service of the debt increases continually and this year it represents 13.5 per cent of the budget and no positive action is taken to change that situation.

We could easily raise family allowances to $30 a month, which would represent only 2 per cent of the gross national product, but no, family allowances remained unchanged, between $6 and $8 a month. From $11,400 million in 1945, the gross national product has reached $41 billion in 1963. Investments, which in 1945 were $1,284 million reached $8,770 million in 1960. Family allowances should have been raised in the same proportion to maintain the economic balance and

to prevent inflation and unemployment. But no.

If the government obstinately refuses to do something along that line, it should at least legislate a reduction in the exorbitant interest rates paid by our people. Because at the rate things are going, with the increasing burden put on the people with all those successive taxes, with this choking of family finances by the finance of great corporations and other companies, the day is coming when we too will have to deal with revolutions such as South America has known these last few days. Why, along with commissions on the civil service, education and public services, not create a monetary commission made up of experts in figures and people with a great sympathy for the poor who would be charged with the task of balancing need and goods, insuring a decent living for all, finding payment and credit conditions with foresight and honesty? If the whole country guarantees our money, would not the people be entitled to benefit from it, to establish the exchange rates which others can upset?

We of the Social Credit do not advocate taking money from those who have to give to those who have not. But since the government finds our economic and financial theories unapplicable and since our political philosophy does not agree with the present leaders of this country, since they obstinately refuse to use the Bank of Canada, we ask them at least to go and find the money where it is and to make the corporations pay proportionately as much as the individuals. We are definitely against any increase in taxation, we are for any social legislation which will alleviate hardships among the people, but not at the expense of the people.

The issuing of new money should be done not by the banks which charge interest, but through work projects, family allowances, pensions to the handicapped, etc., to give those people the means to buy a production which is going to waste. Then everybody will be able to eat one's fill, to produce according to his ability, to establish his family, and to enjoy a minimum of happiness on the road to his reward.

The nation should support itself before looking for foreign markets, before fighting its way in the field of foreign trade which creates depressions, privation, rivalry and war every 20 or 25 years. Let a national money more fairly distributed help us finance production and consumption and then we could import what we need. We would pay for our imports with our production or with that gold the Lord has placed in our soil and which brings no nourishment.

Capitalism is in very bad shape at the present time. It should be tapped in order to relieve the pressure and the barriers preventing the proper flow of riches, just as the Nile waters lower Egypt by means of an irrigation system.

It would be better to consider the means of giving back the money to the people rather than deny and refuse everything, check everything to the point of giving rise to a righteous irritation resulting in unfair take-overs.

We should not be afraid of words, because the facts are actually there, real and obvious. If there is an abundant production and it is properly distributed, everyone will have its share, all needs will be met, the material, spiritual and intellectual needs. Why suffer and go without necessities of life with an extremely abundant production?

I advocate above all the establishment of an extensive national program of social security. If old theories and doctrines provide no answer to present problems, we shall have to find other remedies, other doctrines and other solutions. Thank goodness, the Quebec Social Crediters, who know of other remedies, of other tenets, of other solutions, are breeding another type of men. Democracy will probably be saved by them, and not by politicians who mouth beautiful theories while, at the same time, doing the very opposite of what they preach.

If we are to judge of the efficiency of an administration, let us remember that facts speak louder than books. Let us try to consider where people live, what clothes they wear, if their homes are heated, if they can afford medical care and if they have their share of educational facilities.

Those are, indeed, the real criterions, and they should be the yardstick of the present and future action of any Canadian government, no matter what party is at the helm.

[*Text*]

Mr. Pickersgill: I wonder if hon. members would permit me to say just a word? I think all hon. members should be aware, if they are not already, of the fact we are on an interim supply motion. This is the fourth day of October, a Friday, and the next day that the house will be sitting will be the seventh. We are practically at the point where the government will not be able to pay the public servants or make other essential payments unless the business now before the committee is completed with very little delay. It had been the intention of the government, unless some emergency legislation was required, to have a supply motion on Monday, at which time all hon. members would have, as they always have, the greatest possible freedom of debate. I wondered, Mr. Chairman, if there was any possibility of bringing these proceedings to a conclusion

now and dealing with the supply bill so that it could go to the other place and the ordinary business of the country could go on. It seems to me that if this could be done, anything that might be said on this motion could also be said on another occasion.

I am not seeking in any way to restrict hon. members, but I am sure the hon. member for Winnipeg South Centre, who was frequently in the position I am now in, is well aware of the urgency of this matter. I am not seeking to suggest in any way that the debate be restricted and I have no fault to find with any hon. member in any section of the house, because some very urgent matters have been discussed today and we recognize that these matters are urgent. But I thought it only right for me to bring the situation in which the whole house finds itself at the moment to the attention of the committee.

The Deputy Chairman: Shall the resolution carry?

Some hon. Members: Carried.

[*Translation*]

Mr. Plourde: I regret I cannot accept that proposal. When we are recognized in the house, we shall then be able to agree, but for the time being I must carry on with this debate on supply.

Mr. Chairman, I am pleased to take part in this debate this afternoon, since you know that this country is now faced with several urgent problems. I shall mention only a few, so that my constituents may know that I am here to defend their interests.

When winter is around the corner, you no doubt realize that there is a general uneasiness in trade circles as well as among consumers. What is the reason? I think it is known by all of us in this house: it is the evil of unemployment, which we anticipate for that season. What does the present government intend to do to correct the situation.

In my opinion, this problem is of prime importance and should be before the house at the first opportunity, so that we try to prevent by all means this evil which will result in so much misery for our population, especially in the province of Quebec.

As for me, I make the following proposal pending the others that may be brought forward later. Why does not the government amend the act on family allowances by increasing these allowances so as to make them proportionate to the actual cost of production? This would at least result in preventing our large families, which will be greatly affected by unemployment this year, from being stricken by poverty, and thus prevent innocent victims from suffering due to want of foresight on the part of our present government.

As you know, Mr. Chairman, I represent the constituency of Quebec West which is known as a workers' district, that is a district where high wages are scarce and income is low. Consequently, when there is a restriction such as the one imposed now in construction, which is caused by this notorious 11 per cent tax, who are the first victims if not the workers and through them entire families?

This poverty spreads and many sectors of industry and commerce are paralysed. For instance, a family whose head becomes unemployed has to rely on temporary credit to feed and clothe the children. Grocers especially are affected, being almost forced to extend credit to those families so that they will not starve. And I repeat that there is nothing to help those grocers to support such credit.

I have already talked about that in the other parliament and I hope that this government will deal with my requests concerning the corner grocer—

[*Text*]

Mr. Olson: On a point of order, Mr. Chairman, it is now five o'clock and I wonder if I could suggest that we obtain unanimous consent to continuing in committee through the next hour, which would give an opportunity to those hon. members of the house who have a special interest in prolonging this debate to exhaust all their presentations to the committee.

The Deputy Chairman: Does the committee give unanimous consent to carrying on after five o'clock in committee?

Some hon. Members: Agreed.

Some hon. Members: No.

The Deputy Chairman: I understand there is not unanimous consent. So that the house may proceed to the consideration of private members' business pursuant to section 3 of standing order 15, it is my duty to rise, report progress and request leave to sit again later this day or at the next sitting of the house as the case may be.

Progress reported.

Mr. Speaker: Order. It being five o'clock p.m. the house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills, private bills.

DEPARTMENT OF STATE ACT

AMENDMENT TO CREATE DEPARTMENT OF FEDERAL-PROVINCIAL AFFAIRS

On the order:

Second reading of Bill No. C-22, to amend the Department of State Act—Mr. Grafftey.

Hon. J. Watson MacNaught (Solicitor General): Mr. Speaker—

Mr. Speaker: Order. I am sorry to interrupt the hon. member even before he starts, but I have serious doubts about whether his bill is in order. If the hon. member cares to speak to that point, there is no objection. I have an opinion to give on this matter. I do not want to cut the hon. member off without hearing the reasons he may wish to advance as to why the bill is in order.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, since this bill apparently affects my department—and I am ashamed to say that I have not looked at it—I wonder whether the hon. member would agree to letting it stand so that both of us could have another look at it. I would be glad to ask that it stand at the request of the government.

Hon. Gordon Churchill (Winnipeg South Centre): The alternative, Mr. Speaker, would be to allow the hon. member to introduce his bill and then perhaps adjourn the debate.

Mr. Pickersgill: That is a very acceptable alternative, but I was wondering if, in view of the rather unusual circumstances, the hon. member would be willing to let the matter stand today. Then perhaps the house could go back into committee of supply and public business.

Mr. Speaker: Does the hon. member give consent to letting the bill stand?

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, before consenting to my bill standing I would like to reply to the Secretary of State (Mr. Pickersgill). Had not Your Honour made the suggestion that you have made, for personal reasons I would rather not let the bill stand at the present time. This is because there is a certain degree of urgency relating to my bill that I would have raised during the debate. I think I have some idea of the grounds that Your Honour is going to raise in regard to the bill, but perhaps Your Honour would indicate the grounds upon which you feel the bill is out of order before we proceed any further. Would you indicate the general area, Mr. Speaker?

Mr. Speaker: I am quite prepared to give my views now.

Mr. Grafftey: I would prefer that, Mr. Speaker.

Mr. Speaker: I understand the Solicitor General (Mr. MacNaught) asked for the floor. I do not know whether he wishes to make a short statement.

Mr. MacNaught: No, Mr. Speaker; the Secretary of State has expressed my views.

Mr. Grafftey: Could I simply say, Mr. Speaker, that I have taken great care in regard to this bill. I recognized this difficulty in the last session, and I have been exceedingly careful to make sure that this bill in no way whatsoever affects ways and means or the expenditure of money by the crown. If anybody suggests for a minute that my bill will incur any expenditure by the crown and therefore constitutes a money bill—I say this in a general sense—I would say that the effect of my bill would simply enable the Secretary of State to second personnel from other departments. The bill is more or less concerned with straight administrative changes within the department of the Secretary of State and would enable him to second personnel from other departments. By no stretch of the imagination—and I say this in good faith—could this bill be interpreted as being one which would incur the expenditure of money. I took great pains this summer, together with competent officials, to satisfy myself in this regard, Mr. Speaker, because I realized the difficulty in the last session. I am sure that if there were any indication of this my bill would not be here, because I would have been forewarned long before today.

Mr. Speaker: I can certainly appreciate the emotion with which the hon. member has spoken. He understands fully the personal regard that I have for him as a person, but it is my duty not to allow personal feelings to enter into these matters. It is my duty to give an opinion, which I would like to do now.

This is a bill to change the title of the Department of State to "department of the secretary of state for federal-provincial relations" and to constitute a new department. See clause 2.

The bill also provides transfer to the new department of "any officer from elsewhere in the public service". See clause 3.

Furthermore, the bill vests the Secretary of State with new powers and duties. See clause 4.

I am of the opinion that this bill is a money bill and for that reason it cannot be introduced by a private member. It is inconceivable that the increased function of the department as suggested in the bill could be assumed without a vast expenditure of money. The officers transferred from other departments will have to be paid, probably at an increased rate of pay; they will have to be replaced in the departments from which they

have been transferred by new employees, thus creating a number of new employees.

On May 17, 1918, Mr. Speaker Rhodes decided that "A motion to amend a bill so as to provide for the appointment of additional government officials is out of order as it involves an increased grant of public money." (See Speaker's Decision—Beauchesne's third edition, 1943, at page 439).

On the same date the Speaker also ruled that "An amendment proposing to increase the membership of a government paid board involves an expenditure and cannot be moved by a private member." (See Beauchesne's third edition at page 475).

On March 2, 1927, Mr. Speaker Lemieux ruled that "A bill to create a new department of the government .... out of order because it was not introduced by a minister of the crown with the recommendation of the Governor General." (See Beauchesne's third edition at page 475).

On February 21, 1936, Mr. Speaker Casgrain decided that "A bill providing for the transfer of a government service from one department to another involves the custody of public moneys and cannot be introduced by a private member." (See Beauchesne's third edition at page 478).

In the course of rendering the above decision the Speaker said, *inter alia*, "Another element which places this measure in the category of money bills is that the adoption of same would mean the transfer of the authority under which appropriated money is to be spent." And further: "When money is voted, the main conditions imposed on its expenditure are embodied in resolutions. All the circumstances concerning its destination form part of the appropriation with which they are considered and if any alteration is to be made it must be by the same process as the original resolution." And still further: ".... the circumstances under which an expenditure is to be made are indivisible from that expenditure. The choice of the minister responsible for paying out the money is a material condition of an appropriation, and in order to change it, the house would have to amend the principal clauses of a money bill."

To conclude with the words of Speaker Casgrain in this last decision:

> I am therefore of the opinion that the proposed measure has all the earmarks of a money bill and cannot be introduced by a private member. I declare it out of order.

I regret that I must declare this bill out of order.

Mr. Grafftey: Is that a final ruling?

Mr. Speaker: I can assure the hon. member that I do not propose to amend my ruling.

[Mr. Speaker.]

Mr. Grafftey: With due respect, Mr. Speaker, it comes as a very great surprise to me that I am only informed at this stage my bill is out of order. I would have thought in the spirit of parliament, some system would have been devised whereby I would be informed before this, particularly considering the experience we had last session.

Second, I am not creating a new department by my suggestion. I am asking for the renaming of an old department. So far as I can see the seconding of officials from one department to another means that officials can be lent from one department to another. At any rate, naturally I accept Your Honour's ruling, with great disappointment.

Other hon. members will find themselves in the same position if such a fine distinction is going to be drawn in future. It would be convenient for them if they were forewarned, and I think this matter indicates a general situation which should be looked into immediately.

Mr. Pickersgill: Mr. Speaker, maybe I might be permitted to say a word. I can understand the hon. gentleman's disappointment in this matter, and I think it is one we would all like to look into when Your Honour's committee is set up. It would be much more satisfactory if some means could be found to avoid having this kind of situation arise. I would like the hon. gentleman to know I think there should be some remedy.

Mr. Grafftey: I should assure you, Mr. Speaker, we have been forewarned of this situation, and many very eminent legal minds got together and tried to draft a bill which was not a money bill.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to point out to the hon. member who introduced this bill that I cannot accept his statement that he was not forewarned, because Your Honour made a ruling on July 7 last, as recorded at pages 2092 and 2094 of *Hansard*, citing the same reasons for ruling another bill of a somewhat similar nature out of order.

I regret, sir, that you had to invoke these citations and rulings because it does, in fact, draw a very fine line between what is a money bill and what may not be a money bill. At the same time I think the house and you, sir, are seized with these precedents, and until the house is prepared to make some ruling to change them, in my opinion almost all of the public bills on the order paper would be ruled out of order.

Mr. Speaker: May I take this opportunity of telling the hon. member for Brome-Missisquoi (Mr. Grafftey) that I listened to

his remarks very carefully, and if I have anything to do with it they will be submitted to the new committee on procedure.

SWEEPSTAKES

LEGISLATION TO ESTABLISH HOSPITAL SWEEPSTAKES BOARD

On the order:

Second reading of Bill No. C-24, an act to provide for the establishment of a hospital sweepstakes board—Mr. Horner (Acadia).

Mr. Speaker: The hon. member for Acadia.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, may I break the rules by interrupting at this point? We have been proceeding rather quickly. As I understand the house leader, he suggested that if we were not going ahead with the bill recently dealt with, we might stand other public bills and go back into committee of supply if he could have an assurance from this side that we and other members of other parties would stand our bills. I presume our people would be willing to do that.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I may say I appreciate very much the offer of co-operation made by the hon. member for Winnipeg South Centre (Mr. Churchill). So far as we are concerned, we would be very happy if this could be done, but I would go further and say I would hope today would not be counted as a private members' day, so that this day would not be lost to private members, and would be treated as if private members' time had been forgotten today.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we would be very happy to comply with this suggestion. Progress should be made on the interim supply bill and, if possible, with the old age pensions bill as well.

[*Translation*]

Mr. Plourde: Mr. Speaker, on behalf of the group I represent in the house, I object to such a procedure. We have lost enough time as it is. We have now reached the hour set aside for consideration of private members' bills and we should proceed with that business. That is all.

[*Text*]

Mr. Pickersgill: In the circumstances, it would appear the only thing that could be done would be to call each bill in turn and see if anyone is prepared to speak when his bill is called. If not, we would go back under the rules into committee of supply.

Mr. Jack McIntosh (Swift Current-Maple Creek): Mr. Speaker, suppose we take the suggestion the house leader has made and do stand our bills, we would lose one private member's day.

Mr. Pickersgill: No, it is clearly understood it would not be lost.

Mr. Knowles: Anyway, this is a Friday. You cannot lose a Friday.

Mr. J. H. Horner (Acadia): Mr. Speaker, I am prepared to stand my bill for these reasons, provided all other bills are stood.

Mr. Speaker: I cannot give any guarantee. We can only find out. The hon. member for Acadia is prepared to allow his bill to stand.

Order stands.

Mr. Speaker: There being no other private members' business the house will revert to the business which was interrupted at five o'clock.

SUPPLY

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

INTERIM SUPPLY

[*Translation*]

Mr. Plourde: Mr. Chairman, I now rise with some sadness in my heart because of what is being done. That is what may be called a trick well played "to attain one's ends". I am confident that the voters of this country will know the facts when the next election comes. I shall now proceed with my remarks which were interrupted at five o'clock.

I now want to devote a few moments to reminding the government that it was fully explained by Social Credit what it should do to apply the financial program we advocate in Canada.

The government may turn a deaf ear to our claims, but the day will come when it will be forced to do otherwise, or the people will take it upon itself to defeat it. Then you will see, for the first time in Canada, a Social Credit government, which will undertake to give to the Canadian consumer enough purchasing power to buy all the goods produced by Canadians. On the other hand, it will see to it that our farmers, fishermen and other actual and eventual producers are able to obtain the required credit to produce more and more goods of an ever increasing variety.

Then you will see unemployment dwindle to the point that our workers will, for once in their lives, have the freedom to find the job they really like. By that very fact, you will see that Canadians will be proud and happy to work for the development of their country because they will realize that their security will be ensured. That is what we, of

the Social Credit, want—full development for all Canadians.

Meanwhile, I want to say that contrary to the claims of some papers and others, who are adept in wishful thinking, Social Credit is very much alive, and I would even say that, right now, people in general know that it is our group which holds the key to this country's survival. If freedom is to survive, the Social Credit theories must be spread throughout Canada. Nobody will contend that this Liberal government is leading Canada on the road to liberty. Those who say so would say anything.

The government is reducing us as quickly as possible to a kind of slavery quite similar to the Russian's. The means it is taking may be devious, but the final result will be identical. Nowhere else can you find fear equal to that which is felt in the heart of the average Canadian who wants to keep his family in a country where there is over production. People are worried about losing their jobs and are afraid to be in no position to meet an ever rising cost of living. This has resulted in sorrow and anxiety which can be in the heart of every man whom I have met in any walk of life. This is a very serious situation which condemns the Liberal government.

It is true that the Liberal government has raised old age pensions by $10 but we also know how this will be financed. People in my riding are disgusted with that new tax and they have asked me to oppose it in no uncertain terms.

What does the government intend to do about the disabled and the blind who, like everyone else, are faced with the ever increasing cost of living?

Surely no one can remain forever unaware of that fact. If one fails to understand it, it is because he is totally without any sense of reality.

Before closing, I would like to point out to my friends opposite the main role the Bank of Canada was to play after its creation in 1934, under legislation adopted that same year. When it was established, the Bank of Canada had almost unlimited power to create money, provided it kept certain gold reserves. However, following amendments to the act in 1940, the Bank of Canada is no longer required to maintain gold reserves.

Let our friends opposite take notice, since they still think that our money is based on a gold reserve and that a one million dollar bond of the dominion can be converted into money and then into dollars which can be spent as if those funds were part of our national revenue, so long as an adequate volume of goods are offered on the market.

All this can cost no more than a piece of paper, some ink, a pen and so on. This is an extremely important point.

Social Crediters claim that since the Bank of Canada has all the powers enumerated in the finance acts, why, in the name of common sense and in the interest of Canada does the bank not use them, not only to lend money to the people for production purposes, but to enable them to buy what they need or everything that is for sale. That is what Social Crediters think, and it is quite simple.

Yes, it is simple, because we have behind us the Bank of Canada which must back the value of the country in figures, in pieces of paper. That is what is quite simple according to Social Credit. Abolish misery in the midst of abundance and give the Canadian people a right to live.

As the hon. member for Villeneuve (Mr. Caouette) said so often, the human person must come before the dollar sign. That is what is claimed by Social Credit, that we will respect the human person.

We of the Ralliement Créditiste, elected under the Social Credit flag, have not rejected Social Credit and we are still bound to it.

I hope that no later than Monday, we shall be officially recognized in the house as a separate group. Then, we will respect individuals who were elected in their ridings as such.

My nomination certificate said simply Lucien Plourde, nothing else. It didn't read Social Credit or Le Ralliement du Credit Social, and much less Liberal or Conservative. It was Lucien Plourde who was elected to the house and I hope that next Monday the numbers will be recognized, that is 17, 13 and 11 of Social Credit here.

I say that we should do away with misery in the midst of plenty. There will always be poor people, I know. We cannot do otherwise, because it says so in the Good Book. But it does not say that misery will always exist. It is on behalf of Canadians that we are here and that we want to defend the rights of the worker.

In life, there is a privileged class. They make the laws. Then, there is the other class, the middle class; they always pay for the mistakes of society. And there is a third class, made up of those who live in misery, the working class who can be helped. At present, that class is bled to death.

In my riding, there are 37,000 voters. They all belong to the working class, and they need to be defended. They sent me here to defend their interests and we shall defend those people in this noble chamber.

The day you will see a Social Credit government, you will see that legislation will not be discussed day after day under pretense that such is the tradition. We will know where we are going, we will come here with a precise and detailed program and in a jiffy we will see Canada on the road to progress again.

An hon. Member: There will be no more strikes when you are in power.

Mr. Plourde: The federal government cannot do without the provinces, but the provinces can do without the Canadian parliament, and they would be very happy about it.

Then, Mr. Chairman, should the house pretend that Social Crediters are unable to do anything whatsoever, are not sufficiently aware of procedure, it errs, for one of my colleagues shall also take the floor till six o'clock. And on Monday, we shall be able to pursue the debate on the subject of interim supply.

As to the recognition of the French fact, we have all found that—

An hon. Member: Why soil it?

Mr. Plourde: —in the house, there are more French since the Social Crediters came here. We work more for bilingualism, and we know how to put a French Canadian on the same footing as an English Canadian. For the time being, we do not intend to separate, we favour unity, understanding within the ten provinces of Canada with a view to a strong country, a country which should be able to govern itself, without having to bow before other countries stronger than ours.

We are blessed with an immense territory, big enough to encompass, within its borders, a population six or seven times larger than the present one. If, one day, the Canadian government thought of increasing our population by encouraging a higher birth rate, it would become evident that our land can feed many more people. Any measure which would tend to increase births, would give us a larger population. The day would then come when we, Canadians, could say: "As from now, we shall not be imposed on any longer." And we would become a truly independent country, with its own flag and its own national anthem.

For many years all we have been hearing in this house are promises to give Canada a flag. In fact, the man who is elected always has a flag design to submit within the next few years. And yet, after 97 years, we are still waiting for a flag, a national anthem of our own, as French Canadians, so that we would be recognized from one end of our country to the other and even throughout the world.

At the present time, what do you see on the ballot boxes when you cast your vote? "Dominion of Canada", that is colony of Canada.

That must change and it is high time it does. We count on the good will of the Liberals who have promised to adopt a flag, as well as a national anthem, within two years. Then the people will know what to do, if they fail to do so.

If it is decided to adopt a flag, I hope we will have enough imagination not to choose a ready-made one, but that we will take the time needed to study the design and that will truly represent French Canadians.

A few years ago, over one thousand flag designs were studied. One of them was selected, and I hope it will not be put aside, that it will be studied again, that its meaning to the people of Canada will be considered.

Mr. Chairman, this will conclude the few remarks I was pleased to make in this house at the beginning of this second part of the session that was adjourned at the beginning of August.

Mr. Boutin: Mr. Chairman, I wonder what trick has made it possible to resume consideration of this interim supply motion at five o'clock when we were supposed to examine private members' business.

However, I am pleased to take the floor following my colleagues to discuss problems arising in my constituency, and there are many. That is why I want to submit them to the house, and particularly to the ministers present, as well as to the Canadian population.

Mr. Chairman, last year, I had the opportunity to speak a few times and to make these problems known. But because of the inefficiency of the government, who did not take some of these problems into consideration, I want to submit them once more to the house today.

The riding of Dorchester, one of the oldest on the south shore of the St. Lawrence river, comprises, so to speak, two classes of citizens. On one hand, you have farmers, on the other, lumbermen. And it is especially of those two classes of people that I wish to speak, since they appear to be the most dejected.

Mr. Chairman, there is no question of speaking of industry in my constituency, for it is small; wood cutting and agriculture are among the main industries we have.

Moreover, there are two classes of lumbermen. There are those in the upper part of the riding who work in the woods of Maine and New Hampshire, and those in the lower part, who work in Ontario or in the other provinces of Canada during the winter.

Last year I had an opportunity to raise the problem of the lumberjacks who work in Maine and I notice this year that the Minister of Labour (Mr. MacEachen) who I must congratulate, at least tried to do something to reach an agreement with the state of Maine to bring those lumbermen under the unemployment insurance.

For 20 years, discussions have been going on with the state of Maine to solve that unemployment insurance problem and we do not seem any further ahead now than in 1944.

Mr. Chairman, in reply to a question from the hon. member for Kamouraska (Mr. Dionne) the other day, the Minister of Labour stated that he went to Maine to take up the matter with American authorities. There seems to be some hope and I trust that before next spring our lumberjacks from Dorchester and the neighbouring ridings who work in those states will be entitled to unemployment insurance benefits, because, Mr. Chairman, those lumberjacks do not work all year round; they may work six or seven months a year, and that is why, we are asking for them the same rights as the other lumber workers and other workers in Canada enjoy, namely unemployment insurance benefits when they are out of work.

Mr. Chairman, the trade of the woodsmen is not a very safe one—

Mr. Pepin: It is a very good trade.

Mr. Boutin: It is a very good trade, as the hon. member for Drummond-Arthabaska (Mr. Pepin) has just pointed out. But it is also a hard one and I am proud to have in my riding many of those hard working people who put their hearts in their jobs and who are paying taxes to the Liberal government, because when a sales tax of 11 per cent was imposed—and the hon. member for Drummond-Arthabaska knows it—the lumberjacks were the first affected since this 11 per cent tax was imposed on their equipment.

That is why, Mr. Chairman, on behalf of those men I am asking the Liberal government to suppress the 11 per cent tax on wood cutting equipment. They are taxed enough; their income is not too high at the present time and this is why I feel that the federal government should take into consideration the lot of those men who are not making that much money.

And I hope that the Liberal government, which has been elected because it promised to increase everything but taxes, will show the same goodwill it had before the election of April 8 last, and will be pleased to abolish that 11 per cent sales tax on lumberjacks' implements.

Mr. Chairman, we also found a certain anomaly with regard to lumberjacks who are not going to work in the state of Maine. Everybody knows that for about every trade, when necessary working implements have to be bought, like in the case of a garage keeper, a commercial traveller or any other trade, the cost of those instruments may be deducted from income tax. That is why I ask this government to take action so that our lumberjacks do not pay too much income tax, because they have to buy new implements every year and to travel to their work.

That is why I claim that they should be allowed to deduct the cost of those purchases and the travelling cost which they have to pay each week or every month to go to their work.

Mr. Chairman, I now want to deal with the problem of farmers in my riding.

Ten or 15 years ago those farmers were able to live on the land, but since then they are seen to abandon their farms more and more frequently. And as the hon. member for Beauce (Mr. Perron) said this afternoon, everything seems to be organized in such a way that our farmers have to leave their farms.

I do not know whether I should call the existing practice patronage, but as the hon. member for Beauce said earlier today, what do we see? When a farmer makes a claim to benefit from some welfare plan, it is suggested to him, as a first condition, to leave his farm to go and live in the city. Today, everything of which we in Quebec were proud before, is being destroyed, which means that the family farm is now rejected.

But, Mr. Chairman, I can very well remember the attitude of the former hon. member for Bellechasse (Mr. Dumont) last year, when he was defending the right of our farmers to keep their family farm, which has always been a source of pride in Quebec. There were, last year, demands to the effect that the government should build storage space for feed grain in the east of the province of Quebec. This would have resulted in greatly lowering the price of grain and also enabled our farmers to make a little more profit, besides enabling them to remain and bring up their family on their own farm.

Mr. Chairman, it is a pity that such methods are used against our farmers today, to have them abandon their farms, which will enable the patronage people, probably Liberal, to buy those farms and turn them into a sort of collective farms.

Mr. Chairman, there is another point on which I want to draw the attention of the house. A few weeks ago the Minister of Labour designated some parts of the province of Quebec which might be helped financially by the federal government. Now, at that time, they forgot southern Quebec, that

is that part of the province situated south of the St. Lawrence; and yet that area would be fine for the setting up of new industries or manufactures of all kinds, because, as I just said, our farmers abandon their farms more and more, in brief they are unable to get a living out of those farms of which Canada was so proud in the past.

That is why I blame the Liberal government for overlooking the ridings of Beauce, Dorchester, Montmagny, and even the Gaspe peninsula. This last one was not considered because the Liberal member for the Gaspe peninsula had protested and because the Gaspe peninsula should not be considered as part of the country needing the assistance of a central Liberal government.

That is why I would ask also that all the ridings south of the St. Lawrence river be considered as needing federal assistance. Industries are needed there, not only to give work to labour, but also to prevent our young people from leaving the area and swelling the number of unemployed in the cities. Today, it seems that everything should be centered in towns, everything seems to encourage our young people to leave the country for the cities. The solution is not there. The solution consists in preventing our young people from leaving their home town. We can see the consequences of all that.

As a matter of fact, at every election, there are from 200 to 300 and even 500 fewer names on the voters' lists. And this is not due to a decrease in the birth rate, but to the fact that our people are no longer able to make a living in our parishes, in our respective counties, and must leave their homes for the cities where they swell the number of unemployed and small wage earners.

Mr. Chairman, I humbly ask the government to take due notice of the few remarks I have just made, because if the government was able to carry a bill in order to increase the indemnities of members of parliament, it could also pass a measure to increase family allowances, which are sorely needed today since the income in all classes of society is not sufficient to provide for the children's needs.

It is urged more and more that children should get an adequate education, that they be better educated in order to learn a trade and be in a position to work anywhere. This is the reason why I would again urge the government to keep one of its promises made in April, namely to increase family allowances, an excellent social measure. The government had not promised to increase the members' indemnities, yet that was the first legislation to be passed.

But I urge the government to see that an increase in family allowances should not result in higher income tax. Private individuals are always the ones to pay, they are always singled out, but corporations, whichever they may be, are always favoured by the government. The poor and the lowly must always yield to the government. That is why, Mr. Chairman, as an excellent social measure, I request the immediate adoption this autumn of legislation providing an increase in family allowances. That will not only stimulate our country's economy but it will enable fathers to give a better education to their children.

Mr. Chairman, I should also like to speak against the patronage which is spreading throughout my riding just like in every other constituency. There has always been patronage since confederation because it has always been either Conservatives or Liberals who were in power.

As I was saying a while ago, the Liberal government or the Minister of Labour should sign an agreement with the state of Maine so that our lumberjacks who work there may get unemployment insurance benefits. The first advantage of this would be a reduction by half of the number of requests submitted for social assistance in my constituency. You know how social assistance requests work. If you belong to the Liberal party, everything is fine; there is no investigation and social assistance is granted without question. The organizing parties, the parish or the county chiefs have their say in such an organization. In the case of a Conservative, one is a little wary for this method has been largely put into practice by the Conservatives. But in the case of, let us say a private citizen, who will surely vote for Social Credit, there the trouble begins. An investigation is made, he is asked to give away all he has even to the last cent and once he is destitute, completely destitute, then he is given social assistance.

Mr. Chairman, that is how the two old line political parties have always treated the Canadian people, especially the people in the province of Quebec, as patronage in the province of Quebec is ten times worse than in Ottawa. As there is close relationship between the Ottawa and Quebec Liberals, you are aware that it is the same patronage that brews immense troubles for our Canadian families, especially those that are in need.

I should like to protest against abuses in the field of unemployment insurance. It seems that we have all kinds of legislation concerning unemployment insurance. We have unemployment insurance in our area, but one could say that there is a different act governing every unemployment insurance

office. We submit a case to one unemployment insurance office and there they quote all sorts of acts. In another office, other acts are quoted which are almost in contradiction with what we were told in the first one.

I know that the laws were made for lawyers and by lawyers. One should absolutely be a lawyer to be a member in Ottawa. That is why the people were so much taken in, because we had in Ottawa representatives too far above the people and that is why the Canadian people, at the 1962 election, made no bones about returning to Ottawa men who were not floating in the clouds, but who had their feet on the ground, men who are able to walk along with every class of the society and who, most of the time, took into consideration the cases of the little people.

Mr. Chairman, I shall conclude my remarks now. Since there are only four minutes left before six o'clock—

Mr. Teillet: That is long, four minutes.

Mr. Boutin: Maybe the minister could suggest a few matters I could discuss.

Just the same, I shall let some other colleagues have the floor until six o'clock so that we can keep on discussing how the government is going to present the interim supply bill now before us.

Since we know so well the Liberal party's underhanded tactics, we were not surprised to find out at five o'clock that there were not enough of us to continue the discussion on interim supply. It was thought that the Social Crediters had gone home. Social Crediters are courageous people, they keep their eyes open, and they decided to defeat the tricks of the Liberals. We have a sufficient quorum to carry on until six o'clock the debate on interim supply. As long as our party, the creditist group, is not recognized in this house, as long as we do not have our own seats, we shall be compelled to tell our hon. friends opposite, who sit on the treasury benches that we are happy to carry on with the discussion on interim supply so as to be able to explain the problems which beset our constituencies.

Mr. Chairman, I am happy to have the floor, for this allows me to put Dorchester county in the limelight. I have been able to ascertain by thumbing through *Hansard* that since 1867, the year of confederation, very seldom did the members for Dorchester set forth the claims of Quebecers, and more particularly of the electors of the various constituencies. We must indeed remember that the problems relating to woodsmen have not sprung up lately, but have always been with us. The state of Maine was also constituted years ago and I am surprised that none of the members for Dorchester, either Conservatives or Liberals—indeed a Liberal represented the riding of Dorchester for quite a while—have risen and requested from the Canadian government that the lumbermen who work in the state of Maine be treated fairly.

Yet between 1940 and 1944, 47 American states agreed to negotiate with Canada and to enact legislation concerning the unemployment insurance benefits of Canadians from the English speaking provinces who work in the United States. At that time, there were 75 Tories and Whigs in the House of Commons and not one of them rose once to ask the same benefits for the people of Quebec who work in the states of Maine and New Hampshire. That is why I blame the federal government and all its followers. We should not have to blame again the Liberal government, for if it is well disposed toward those unemployed, it will take as soon as possible the necessary steps to confer with the American states in order that our lumbermen working in those states be entitled to unemployment insurance benefits.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Perhaps the house leader would like to give us his revised version of the order of business for next week.

Mr. Pickersgill: Mr. Speaker, I do not think it would be very wise for me on this occasion to attempt to forecast the business very far ahead, because until interim supply has been granted it will of course not be possible, I am afraid, to do any other business at all. Therefore that will be the first item of business on Monday.

I would hope—as I think the vast majority of hon. members hope—that we might dispose of it fairly quickly on Monday after reflection over the week end. In that case I think we would have to reserve until Monday morning any indication of precisely what would be taken next. If circumstances made it otherwise possible, however, of course we would like to take the old age pension bill first of all. But in the light of the labour situation with which all hon. members are familiar, the situation both in Montreal and on the lakes, the government simply has, I think responsibly to reserve its judgment as to what should be taken after interim supply is concluded if, as I hope, it should be concluded.

Mr. Knowles: Mr. Speaker, may we take it for granted that on Monday morning at the latest the government will advise each of the parties what the plans are for that afternoon.

Mr. Pickersgill: Yes, Mr. Speaker, I will endeavour as early as possible on Monday to advise the representatives of the parties what would be taken after interim supply, if it should be concluded, as I hope it will be, on Monday.

Mr. Churchill: Would the house leader definitely rule out a supply motion on Monday and Tuesday?

Mr. Pickersgill: I am afraid we would be depriving hon. members opposite—even if the interim supply was disposed of in half an hour—of time to which they are traditionally entitled. I would not like to ask for that unless there was general agreement in the house that hon. members would be satisfied to do that. The government would like to have these supply motions because, as I have indicated very clearly, we must have five of them in the next few weeks, and time marches on.

It was our hope originally, as I indicated to hon. members opposite, that we could take a supply motion on Monday, but several unexpected circumstances have arisen since I gave that indication and I do not think anyone would now like to predict what may happen tomorrow and Monday in the field which was the subject of discussion for a good part of today.

Mr. Churchill: I appreciate the difficulties of the house leader. He will be reminded of my difficulties a year ago.

Mr. Pickersgill: My recollections are vivid.

It being five minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Monday, October 7, 1963

The house met at 2.30 p.m.

LABOUR CONDITIONS

DETAILS OF OLDER WORKER INCENTIVE TRAINING PROGRAM

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I should like to announce the details of an older worker employment and training incentive program which will become effective on November 1, 1963.

The duration of unemployment for workers over 45 is generally much longer than for younger workers. The government has therefore initiated this program which is designed to assist long term unemployed mature men and women to re-enter employment and secure necessary skills. This plan involves incentive payments to employers to hire eligible older workers between November 1, 1963 and January 31, 1964. The payments will amount to 50 per cent of the monthly wage paid, or $75 per month, whichever is less. The program will assist employers during the period in which an eligible older worker is being given the training and work experience necessary for his continued employment.

The conditions governing the payment of incentives to employers are as follows:

1. Incentive payments apply only to employment which is insurable under the Unemployment Insurance Act, excluding employment by governments at all levels and by government owned business enterprises.

2. The employer must provide the worker with a significant amount of approved on the job training or, if this is inappropriate, other approved programs to assist the worker to continue in gainful employment.

3. The employer must hire the worker during the period November 1, 1963 to January 31, 1964 and employ the worker or his eligible replacement for at least three months before the incentive becomes payable.

4. The worker must not be employed in a job vacated by another worker after September 1, 1963.

The conditions applying to the eligibility of workers for employment under the program are as follows:

1. The worker must be 45 years of age or over and not in full time employment at the time of hiring.

2. The worker must not be eligible for regular unemployment insurance benefits.

3. The worker must have been unemployed for at least six of the previous nine months. Evidence of unemployment can be provided by registration with the national employment service, receipt of unemployment assistance payments or other satisfactory evidence of attachment to the labour market.

4. The worker must not be in receipt of the universal old age pension or any other retirement or pension benefits equivalent to or higher than the amount of universal old age pension.

5. The worker must be the only member of the family household for whom an incentive payment is made.

I might add that the national employment service will be responsible for the implementation of the program at the community level. The Department of Labour will be responsible for the general promotion of the program itself.

Hon. Michael Starr (Ontario): Mr. Speaker, this announcement by the Minister of Labour is a further example of the way in which the present government, having made policy announcements well in advance, comes out with the working details of those policies only 24 days or so before those policies are to be put into effect. In other words it has been the habit of this government to announce policies without working out their details; and even when the details have been worked out, it has been evident that those policies do not operate in the way which was intended.

This incentive of $75 per month to employers who employ workers of 45 years of age and over from November 1, 1963 to January 31, 1964 is an attempt to encourage the hiring of these older workers. The period for which they will be hired is another matter. The duration of their employment is a vital matter, and it should not be on a temporary basis; it should be done on a permanent basis. When the former government, the Conservative government, was in office our concern was for the older worker and his employment, as was the concern of everyone in this country. We endeavoured, through an educational process, to acquaint employers with the ability and dependability of the older worker. In this effort we were successful to a considerable extent.

It now remains to be seen whether this new gimmick for the employment of the older worker will work out as well as it is hoped, or intended, it will, or whether it will

be just another flop in the gimmicks promoted by this government.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, we accept the decision just announced by the Minister of Labour (Mr. MacEachen) and which is along the lines of the policy he stated briefly in June. In fact, when he did make that statement, we tried on several occasions to get additional information.

Last week I asked for further enlightenment in that connection.

The Minister of Labour informs us today that the assistance will start on November 1, 1963, and will continue up to January 31, 1964, that is over a period of three months. During that time, employers of workers 45 years of age or over who were previously unemployed will be entitled to an allowance of 50 per cent of the salaries paid up to a maximum of $75 a month.

In his statement, the minister referred to the fact that employers will have to prove that they will provide the training required to enable those unemployed to keep their new jobs. Such a condition, I must say, will probably be exceedingly difficult to control.

What kind of training will be considered as required for an employer to be entitled to that special payment? What, in the minister's view, constitutes training capable of helping a man keep a job after three months?

Can we consider that somebody who has been previously unemployed for six months will be able to benefit from the training as set forth in the act?

Mr. Speaker, in my opinion, that is one of the points which will be eagerly discussed and with which some might play politics, something which I for one deplore at this time.

I am of the opinion that the civil servants who will have to decide who is entitled to that grant and who is not, will find themselves in a very difficult situation and even liable to make unfair decisions.

I feel that point had to be raised and I hope the minister, in a further statement, will be able to clarify what will be considered sufficient training to enable employers to benefit from that allowance.

I said last week that those measures were good in themselves but were still only of a temporary nature and that nothing would really solve the problem facing young people and those not so young as long as the economy is not moving again and does not improve enough to offer employment to all those who are looking for work.

[Mr. Starr.]

[*Text*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, we share with all members of the house concern for the position of the older workers in our country. However, we shall have to take a closer look at the program announced earlier and supplemented today by the Minister of Labour to determine whether or not this program goes any distance in dealing with this problem. The minister can look to his left a couple of places and see a colleague who spent a little while this summer in Sweden studying what they have done there in another field. Some of us who have been in that country think the Minister of Labour might also go to Sweden and discover what they have done in providing full employment for all age groups.

LABOUR RELATIONS

SHIPPING INDUSTRY—REVOCATION OF APPROVAL RESPECTING VACATION PAY ARRANGEMENTS

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I wish to advise the house that I have revoked the approval previously given under the Annual Vacations Act to vacation pay arrangements contained in collective agreements between the seafarers international union and a large number of shipping companies.

Where approval is given such collective agreement arrangements, the act no longer has application. With the revocation of approval in these cases the act will now apply and employers in the shipping industry will henceforth pay vacation pay direct to employees instead of to the S.I.U.

It will also be recalled that Mr. Justice Norris found that the conditions laid down in granting approval had not been fulfilled by the S.I.U. and the shipping companies.

Detailed directions in this regard have gone out to the trade union and the great lakes shipping companies concerned.

BUSINESS OF THE HOUSE

MOTION TO SUSPEND ADJOURNMENT TIME AND TO PERMIT SEVERAL READINGS OF SUPPLY BILL

Hon. J. W. Pickersgill (Secretary of State) moved:

That, until the proceedings on the interim supply resolution, now before the house, and on the supply bill to be based thereon have been disposed of, the provisions of section 3 of standing order 6 concerning the time of evening adjournment shall be suspended; and that, in order to allow for several readings of the said supply bill in any sitting, the provisions of standing order 75 shall be suspended in relation thereto;

Provided that, if any other government order is taken in any such sitting, the terms of this order shall not be operative.

He said: Mr. Speaker, it is with the very greatest reluctance that I rise this afternoon to propose the motion standing in my name on the order paper. I think all of us are perhaps more sensible than we have been for quite a long time that the eyes of the whole country are upon this house at this time; and I think most of us, at any rate, feel that the electorate, regardless of party, expect us first of all to discharge the business of the public.

Now, it is well known that we have before us, or will have before us when the orders of the day are reached today, the resumption of the debate on interim supply. It is known that there are peculiar procedural and other difficulties that could arise in the discussion of interim supply. As successive governments have often reminded the house, it has usually been possible to deal with interim supply fairly quickly. However, there have been times when that has not been possible.

It does seem to me that there were somewhat unusual circumstances in this particular case, because the house had recessed for the best part of two months and there was a resumption of a session in which there were a number of questions of real moment and concern. The interim supply debate went on for two days last week, and not one word of exception was taken from this side of the house to that fact. No attempt of any kind was made to restrict that debate in any way. In fact several members of the government, notably the Minister of Labour, took part in that debate. There was, therefore, an effort on the part of the government to deal with matters relating to public business that were raised during those two days. Moreover, sir, it had been the intention of the government, had interim supply been granted on Friday, to have a supply motion today which would have provided every opportunity to hon. members to air any grievances that might have arisen against the government in the conduct of public business.

At the end of two days of debate on Friday there was a disposition in the committee, if I understood it right—I am not relying on my own memory, but I am relying on the words of certain hon. gentlemen opposite—to grant supply. I should like to refer very briefly to what was said by the hon. member for Medicine Hat, as recorded at page 3236 of *Hansard*:

> Mr. Chairman, it is now five o'clock and I wonder if I could suggest that we obtain unanimous consent to continuing in committee through the next hour, which would give an opportunity to those hon. members of the house who have a special interest in prolonging this debate to exhaust all their presentations to the committee.

So far as I could judge this was acceptable to everyone then present in the committee with the exception of one hon. member, who exercised his undoubted rights under the rules to object. Then the hon. member for Winnipeg South Centre made what I thought was an admirable and responsible intervention. At a later stage, when we had taken up the private business and the order had been called for second reading of a bill relating to sweepstakes, standing in the name of the hon. member for Acadia, the hon. member for Winnipeg South Centre said, as recorded on page 3239 of *Hansard*:

> Mr. Speaker, may I break the rules by interrupting at this point? We have been proceeding rather quickly. As I understand the house leader, he suggested that if we were not going ahead with the bill recently dealt with, we might stand other public bills and go back into committee of supply if he could have an assurance from this side that we and other members of other parties would stand our bills. I presume our people would be willing to do that.

I think the hon. gentleman was speaking for his party, as the evidence showed a few minutes later. The hon. member for Winnipeg North Centre almost immediately afterward said this:

> Mr. Speaker, we would be very happy to comply with this suggestion. Progress should be made on the interim supply bill and, if possible, with the old age pensions as well.

Why then, sir, in view of this almost universal evidence of co-operation and willingness to dispose of the matter, should there be any excuse whatever for bringing on this motion at the present time? I think I have to found that upon a statement made by the hon. member for Lapointe the evening before. It will be found at page 3197 of *Hansard* for Thursday, October 3, in which the hon. member said:

> Mr. Chairman, I must inform you that we do not intend to end the debate on interim supply either tonight, tomorrow or as long as the privileges and elections committee has not remedied the ridiculous and illogical situation which prevails in this corner of the house. We tried to do it and it was supposed to be done as soon as possible. Last Monday, the house asked that the situation be settled but it has not yet been done.

Then on Friday the hon. gentleman said, as reported at page 3212 of *Hansard*:

> It rests with certain members of the government to see that a decision is taken as soon as possible, because it is absolutely illogical and utterly ridiculous not to recognize a group of 13 members...

and he continued from there. I think the hon. gentleman on reflection—and I know he will reflect on this—will realize that this is not, and under our rules cannot be, a matter for the government. The whole house accepted a motion made by the hon. member for Winnipeg North Centre, on the day the session resumed, to remit the matter of the seating in the house to a committee; and under our rules, while that committee is deliberating

it is contrary to the rules for the matter to be debated here in the house.

I do not intend to debate it but merely to draw attention to the fact; that the house, by a decision which no hon. member opposed, remitted this matter to the committee, and until it comes back from the committee the house has not power, under its rules, to deal with the matter. Moreover, the friends of the government are not a majority on that committee or any other committee of the house, any more than the government itself has a majority in the house, so that it is quite impossible for the government as a government to settle this matter. It is a matter for the house. It is a matter, as Your Honour properly pointed out, of the organization of the house; and whatever the disposition of the government might be it is not within its power under our constitution, and it would be an attempt to usurp powers the government has not got and has not the right to have, to attempt to settle any question which is a question for the whole house.

Therefore it seems to me, sir, it is rather illogical to hold up the business of the country because a committee of the house has not yet been able to discharge an obligation placed upon it. I believe there are other ways under our rules by which one can air a grievance against a committee, but to hold up supply in the house would not, it seems to me, be a very effective remedy in that regard.

On Friday, as reported at page 3244 of *Hansard* for that day, when asked to announce the business of the house for this week by the hon. member for Winnipeg South Centre I pointed out:

> Mr. Speaker, I do not think it would be very wise for me on this occasion to attempt to forecast the business very far ahead, because until interim supply has been granted it will of course not be possible, I am afraid, to do any other business at all. Therefore that will be the first item of business on Monday.

I think it is only fair to hon. members in all parts of the house for me to indicate as briefly and as clearly as I can just what is the degree of urgency of the public business. I am informed by the officials of the treasury that there are already bills which ought to be paid by the government and which are unpaid because the house has not yet seen fit to vote the supply necessary to make it possible to pay them. I am also informed that unless this grant of interim supply can be made by the end of the day tomorrow—and that means dealing with the matter in both houses, securing the royal assent and then having the supply released by the governor in council—certain of the cheques for the payment of public servants which normally go out in the middle of the month and which are normally spread over three days at the middle of the month—which process is affected to some degree by the fact that Monday next is Thanksgiving day and a bank holiday—and which would normally be received by public servants on Thursday, cannot be given to them because the money will not be available; and that for every day's delay the number of public servants so affected will be greater.

I am also advised that unless this house and the other place are able later this week or, at the very latest, at the beginning of next week to deal with all stages of the amendment to the Old Age Security Act, it will not be practical to include the additional payment in the cheques which are normally received, I believe, in all parts of Canada by the recipients on the twentieth day of the month. Therefore it is a matter of some urgency which will affect a great number of our fellow citizens. It is for that reason, and for that reason alone, that the government has felt that in view of the statement made in the house by the hon. member for Lapointe (Mr. Gregoire), assuming he was speaking for those associated with him in making that statement, we should take every step it was reasonably possible to take under the rules to make as sure as we could that these bills would be paid. Of course we are in the hands of the house; we cannot do more than accept what the majority of hon. members wish to have done in this matter, but we thought we should take every feasible step to see that ample time was available for hon. members to air any additional grievances they might feel they had and still enable the house and the whole parliament to discharge its duties and to enable the fundamental business of the country, the public business, to go on.

I cannot believe, sir, that the country really would feel that this house was justified or that any part of the house was justified in holding up the public business, the business of all the people of Canada, because anybody in any part of the house was not satisfied with the place in which he happened temporarily to be sitting, particularly when a procedure had been provided whereby this question could be settled. This is a question which has some real complications in it, as I think all of us with any sense of the history of parliament realize, and the house has already provided unanimously for another way of dealing with that question.

Therefore, sir, it seemed to us that there was no real choice in the circumstances but to put forward this motion, the more so when one considers the exchange which took place between myself and the hon. member for Quebec West (Mr. Plourde) on Friday afternoon. I would like also to put that on the record. When the hon. member for Quebec West rose to speak, he was good enough to

let me interrupt him, and I made this statement:

I wonder if hon. members would permit me to say just a word? I think all hon. members should be aware, if they are not already, of the fact we are on an interim supply motion. This is the fourth day of October, a Friday, and the next day that the house will be sitting will be the seventh. We are practically at the point where the government will not be able to pay the public servants or make other essential payments unless the business now before the committee is completed with very little delay. It had been the intention of the government, unless some emergency legislation was required, to have a supply motion on Monday, at which time all hon. members would have, as they always have, the greatest possible freedom of debate. I wondered, Mr. Chairman, if there was any possibility of bringing these proceedings to a conclusion now and dealing with the supply bill so that it could go to the other place and the ordinary business of the country could go on. It seems to me that if this could be done, anything that might be said on this motion could also be said on another occasion.

I am not seeking in any way to restrict hon. members, but I am sure the hon. member for Winnipeg South Centre, who was frequently in the position I am now in, is well aware of the urgency of this matter. I am not seeking to suggest in any way that the debate be restricted and I have no fault to find with any hon. member in any section of the house, because some very urgent matters have been discussed today and we recognize that these matters are urgent. But I thought it only right for me to bring the situation in which the whole house finds itself at the moment to the attention of the committee.

The deputy chairman then asked, "Shall the resolution carry?" and I think most hon. members who were here said "Carried". Then the hon. member for Quebec West said this:

I regret I cannot accept that proposal. When we are recognized in the house, we shall then be able to agree, but for the time being I must carry on with this debate on supply.

What does that statement mean? It means that the hon. gentleman said in effect that he had nothing more to say on supply and he would be prepared to agree to the supply but only if something else, that was not in the power of the committee of supply to do or that time in the power of the house to do, because it had been remitted to the committee on privileges and elections, had been done. It seems to me that on reflection all hon. members will realize that it will be a very serious thing for the public interest if a question of the mere internal organization of the house, the house-keeping of the house so to speak, should be put before the public business which we are elected to discharge. That, it seems to me, is the problem with which we are faced. It seems to me that the government, unpleasant as it is to ask hon. members to forego the usual adjournment and to prolong the debate, had no option in the circumstances, in view of the urgency of the public business which I have sought to state in as accurate and as temperate a manner as possible, but to bring this motion before the house.

I may say that if the government at this stage could receive satisfactory assurances that before ten o'clock today the interim supply could be concluded, I would be very happy indeed to ask the house to permit this motion to stand. But in default of those assurances it seems to me—

Mr. Woolliams: You will pull the trigger.

Mr. Pickersgill: —we have an inescapable duty in this matter.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, this is one of the historic days in the Commons of Canada. We have now seen the spectacle of the Secretary of State (Mr. Pickersgill) and government house leader coming before the house in sackcloth and ashes to ask forgiveness for his sins of the past. This is the most amazing development in the 12 years that I have been here in the House of Commons. Apparently if you wait long enough things happen which change the course of history, and sinners finally repent. So we have today the house leader, the arranger of government business, the man behind the scenes who fixes things up—the "grey eminence" as we used to call him in years gone by before he entered the government—now trying, in his capacity as house leader, to persuade the house to do, as he puts it, things which are solely for the good of the country. It is not the government which is so seriously concerned; it is the putting ahead of all other considerations for the good of the country.

This is a complete change in the character of my opposite number here, the government house leader. In all the years I have been here and that he has been in the house he has been working around this way and that, particularly when he was on the opposition side, to make it difficult for the government of that day to carry on. I had several years of that experience and I know whereof I speak. Now in sackcloth and ashes he comes here before us and says, in effect, that his plans have all failed; that it is not possible to organize the business of the house; that despite all his experience in the past and all the lectures which he gave me for about four years he now finds it impossible to organize the business of the house. We start with one subject matter; he then withdraws it, brings another bill before the house and has a go at that; and then changes around and brings on something else.

Perhaps the hon. member for Red Deer (Mr. Thompson) will also enter into this debate today. He was the champion last year of leadership and good government. He was telling us that if only we had leadership in this house and the business was properly organized we would get things done. This is the

man who said: "Why don't you start with a bill and carry it right through to completion?" Well, he has now had an observance of another government in office with an experienced operator in charge of government business, and I hope that he will get up and say again that what we require in this house is leadership and a proper organization of the business, and that if we are going to start with something, that we stay with it and carry it through to completion. Because that has not been the case in this session.

Now, Mr. Speaker, how did all this trouble arise? The trouble arose through the fault of the government itself. The house leader has read to us the ultimatum which was delivered to the house on Thursday night by the hon. member for Lapointe (Mr. Gregoire). This took us by surprise, because the hon. member for Lapointe has so frequently been seen to cross over to get, as we always thought, instructions from the Secretary of State or people on that side of the house. We have seen messages apparently relayed to him on this side so that a question can be asked which is easily answered to the satisfaction of the originators of the question. Now, what has spoiled this friendship?

Mr. Gregoire: Mr. Speaker, on a point of order, I think the hon. member is now assuming some of our intentions and I think he is completely wrong. He should remember what he was doing last year. I think he would—

Some hon. Members: Order.

Mr. Churchill: Mr. Speaker, I was hoping that with this reminder the hon. member for Lapointe would subsequently get into the debate and give us a statement with regard to what he is attempting to do in the House of Commons. I simply said that, as observers here, this is what we thought was going on, and that now what we had considered to be a beautiful friendship seems to have been destroyed. This disturbs us no end. How is the government going to be sustained in office if this beautiful friendship is destroyed? They may be forced out of office by these actions.

The ultimatum to which I have referred was given to us on Thursday night. The house leader has already drawn attention to it, but let us make sure of the words again. At page 3197 of *Hansard* the hon. member for Lapointe is reported as having said:

> Mr. Chairman, I must inform you that we do not intend to end the debate on interim supply either tonight, tomorrow or as long as the privileges and elections committee has not remedied the ridiculous and illogical situation which prevails in this corner of the house.
>
> [Mr. Churchill.]

And so, faced with this ultimatum, this is the response of the house leader. He says: "I cannot deal any longer with my former friend so now the house has to come to my rescue and we must sit night and day until those who wish to operate a filibuster in this house are worn out." This is the state of affairs at the present time.

The Secretary of State spoke about the urgency of this matter and told us that unless the interim supply is granted by Tuesday night very dire consequences will result. He pointed out that we have already had some time on interim supply and should now terminate the debate. He is constantly giving advice to the house as to what to do. Just the other day he wanted to have a committee set up without debate. He did not want debate in the house. Now he wants us to debate night and day, so I do not know what side he is on.

I think that the proper organization of the business of the house is to make arrangements, and confidential arrangements, so that when a controversial issue is coming before the house it may be possible for one spokesman for each party to speak on behalf of his party, and then the measure might well go through rather quickly. But he rises in the house and says: "I should like to bring this measure before you but I do not want any debate on it". What does he want? We now know that he wants to debate endlessly night and day all week. The hon. gentleman mentioned urgency. Unless this matter is settled by tomorrow night there will be difficulty, he said. Well, we have been all through this before. The hon. member for Winnipeg North Centre, a diligent student of the House of Commons in the past, made a review in 1956 of interim supply procedure over many preceding years. I have done the same myself. In 1956, when a critical moment was approaching the House of Commons and when interim supply was up for consideration on June 11, the hon. member for Winnipeg North Centre recited for the benefit of the house the way in which interim supply had been dealt with over the years. Quite correctly, the Secretary of State has suggested that it can be dealt with very quickly on occasions, and the practice of the house normally has been to deal with interim supply very quickly, sometimes in 30 minutes, sometimes in an hour and a half, sometimes in half a day and sometimes in one day; the discussion rarely exceeds one day's sitting.

The urgency of such a motion has always been recognized by the House of Commons. It is important that the cheques go out to the people who are expecting their mid-month's salary, to those whom money is

owed by the government. As the Secretary of State has pointed out, there is an arrangement whereby the cheques, which are numerous, are spread over three days. I have talked over the years with members of my staff who have been drawing cheques of this nature and they say this three day period is normal. They can take their cheques down to the bank on the 13th, 14th and 15th of the month, if these are weekdays and the banks are not pressed; and the people who are cashing government cheques do not have to form longer queues than are now required. We recognize the urgency of this matter but it is strange that in 1956 interim supply was passed on June 11 without serious objection being taken and I think we will be able to find other instances when interim supply was passed as late in the month as that. However, as the hon. member for Winnipeg North Centre pointed out in his survey in 1956, it has been customary for the house to deal with interim supply about two weeks before the cheques are required, in other words, toward the end of the month.

I thought that when we reassembled a week ago the first item to be considered would be interim supply which, perhaps, would have gone through in 20 or 30 minutes. But it was postponed until Thursday. Despite the urgency which the leader of the house draws to our attention he failed, it seems, to remind the Secretary of State for External Affairs (Mr. Martin) of the object he had in mind. The Secretary of State for External Affairs intervened in the debate on interim supply in order to make a statement regarding his particular problems related to external affairs. Would it not have been better to have arranged for a special debate on external affairs early in the session, as has been requested by hon. members on this side of the house, rather than to have had the Secretary of State for External Affairs intervene on Thursday to make a speech dealing with one of the most controversial subjects which has been before the House of Commons in years. Then, I presume, other hon. members were not to reply. The hon. gentleman has spoken, and that is the end of the debate. I should have liked to take part in that debate on external affairs and to have answered some of the questions put forward by the minister. I should have liked to take up his statement that Canada is now in a stronger position to favour disarmament, because she has nuclear arms on her soil.

Hon. members will appreciate the range of subjects which are opened up by the intervention of ministers other than the Minister of Finance. Interim supply should be carried on by the Minister of Finance. The leader of the house should absent himself and other ministers should remain silent. Then something would be done and the urgency of the matter would be met. Why did not the leader of the house speak to his colleagues and tell them: keep out of this debate, let the opposition people speak and we shall get the measure through. He did not adopt that course.

As a matter of fact, the cheques for those who are expecting payments by the government could be cashed on the 15th of this month, that is, on Tuesday of next week. Monday, of course, is Thanksgiving day, and there is, of course, Saturday and Sunday. If the normal practice were followed, the cheques could be cashed on Thursday and Friday of this week and the following Tuesday. I doubt very much if anybody will be seriously inconvenienced if the cheques are not cashed until Friday or the following Tuesday. They are dated the 15th of the month. The banks, relying on the government, will, I am told, accept them a day or two in advance. However, the Secretary of State tells us that unless we deal with this matter by tomorrow night, people are going to be seriously inconvenienced. I wonder if that is completely accurate. Granted there has been a three day period for the cashing and distribution of these cheques in the light of the difficulties which confront this house perhaps the cashing of the cheques could be done in two days rather than in three or, at the worst, on the day on which they fall due, which is the 15th. I should much prefer the matter to be dealt with more expeditiously and in a more orderly fashion, but I question the statement of the Secretary of State that this matter must be settled by Tuesday night.

I would say the wrong method of dealing with interim supply was indicated to this house last year by the Liberal party which now forms the government. During the course of last session alone, just consider the delays which were involved. Hon. members can look at the whole calendar year, 1962, and they will find that in the closing weeks of that session—and the house was dissolved in April—the opposition took 27 days discussing supplementary estimates which were just a continuation of the main estimates. That had never been done before in the House of Commons. Considerations of urgency they brushed aside. For 27 days they continued to discuss expenditures which they had been discussing earlier when the main estimates were before the house.

Then, after the election of 1962, when the house resumed in the fall of 1962, what did they do? Talk about urgency in granting supply. They blocked everything we brought before this house in the way of supply. We had a supply motion and six departments were called. Not one item of the estimates

for 1962 was passed by the House of Commons: Not one item. Yet the Department of Agriculture was before the house for three days. Other departments were called and dealt with. But their estimates were not passed—not one single item.

Then, as to interim supply, we called for interim supply in December last year. This government, if it survives, will be calling for interim supply in December of this year and if we grant the present supply motion for which they are asking they will have had interim supply for eight months.

We will hear from the hon. member for Winnipeg North Centre (Mr. Knowles) about giving the government a blank cheque for a period of eight months with no estimates having been passed by the house except those of the Department of Trade and Commerce, which I arranged by asking Conservative members on this side to refrain from lengthy debate. Those estimates were passed. The estimates of the Department of Transport were almost finished and we also started on the estimates of the Department of Finance. But last session not a single estimate was passed and interim supply was asked for. Now it is being requested for a period of eight months. A blank cheque is being sought and two thirds of all estimates for the fiscal year are being voted in this way without careful consideration, item by item.

Those are the arguments that were used against us last fall. In December of last year when we asked the house to vote interim supply for the month of January the members of the Liberal opposition were fully familiar with the urgency of interim supply. They knew how urgent it was and that the voting of money was required to carry on the normal business of the country, to provide for the pay cheques of people who were on the government payroll and to pay debts and things of that nature. Despite their knowledge of the urgency they took seven days, Mr. Speaker, to pass interim supply.

An hon. Member: The chickens are coming home to roost.

Mr. Churchill: Yes, the chickens are coming home to roost. They taught our friends here, who are new to the House of Commons, what to do on interim supply: Hold up the government; do not pass interim supply in 30 minutes or an hour and half or one day or two days; stretch it out. They took six full days and part of a seventh, and the present Prime Minister (Mr. Pearson), then leader of the opposition, intervened twice in the debate on interim supply. Not content with one go at it he came back again. He admitted he was roaming rather widely, to use his own words, but he intervened a second time in order to hold us up.

[Mr. Churchill.]

On February 4, 1963, when we were dealing with interim supply again, all the arguments were raised again about spending money without the estimates having been passed by the house, and so on. I drew attention to a statement by the present Prime Minister, then leader of the opposition. I said, as found on page 3422 of *Hansard*:

> I should like to consider now the question of interim supply. Interim supply has loomed very largely in the mind of the house recently, and I think the Leader of the Opposition threatened us today—did he not?—with regard to the next interim supply.
>
> Mr. Pearson: Oh, no.

I went on to say:

> "Wait till Wednesday", he said, "when interim supply is likely to be called, and then you're for it".

Mr. Pickersgill: What page is that?

Mr. Churchill: You will find it on the 4th February of this year. Then the mentor in all this, the Secretary of State (Mr. Pickersgill), set out in an article in the Winnipeg *Free Press* in January of this year what should be done with regard to interim supply, and I presume he has passed this on to this former friend, the hon. member for Lapointe. He pointed out that in June, 1956, when there had been quite a dispute in the house over the pipe line debate, it was in the hands of the opposition of that day to bring the government down by refusing to vote interim supply. On January 29, 1963, the Secretary of State recounted this past history and drew to the attention of his party and, of course, his other friends, the way to do it. He said at that time, and these words are worth recording:

> Theoretically there were these two choices—

Applying closure or dissolving parliament. He only had two choices in January, 1963, applying closure or dissolving parliament, but now he has come up with a third—sit night and day. These are his words:

> Theoretically, there were these two choices, but in fact there was not. The government had been deeply wounded by the battle over the use of closure in the pipe line debate. Notwithstanding the fact that the pipe line debate had lasted a full month, the opposition had succeeded in creating the impression that freedom of speech was being denied and that the ministers were riding roughshod over parliament. To impose closure on the debate on a supply bill would have been to limit the right of the Commons to control the expenditures of the crown and the Liberal government was not, in fact, prepared even to consider closure as a possible course of action. Moreover, if closure had been tried, it would have required nearly two weeks to secure the passage of the bill, the public servants would have gone without pay, and other urgent expenditures could not have been made. All the opposition had to do in the week of June 11, 1956, was to go on debating the government's expenditures for three or four days and the government would have been forced to ask for a dissolution of parliament and an election.

There is the mentor. That is the way you do it. In February of last winter that is what they were prepared to do. "Wait until interim supply comes up on Wednesday", said the then Leader of the Opposition, "and you are for it". I hope everybody in the house understands what can be done with regard to interim supply, and I presume this is what the Secretary of State was attempting to teach his party and to bring before others who might in their turn want to do something about interim supply.

I want to examine the proposal now before us, Mr. Speaker.

Some hon. Members: Oh, oh.

Mr. Churchill: Well, you have to lay a basis and to give the history of the past to show how the Secretary of State in his sackcloth and ashes tries to approach this problem. He has dismissed closure as being a little too much related to the pipe line debate of 1956 under the autocrats of that day in the Liberal government. So he has come up with night and day sittings. He has proposed that we now sit night and day to get interim supply through and he has put a deadline on it, Tuesday night.

This is a clear indication, Mr. Speaker, of the failure of the government to organize the business of the house in a satisfactory manner. They have brought on themselves the dispute which is progressing in one of the committees of the house. It was their doing. They suggested this method of fragmentation of parliament and now they are caught with a real problem. But they are not content to wait for the decision of that committee. They now want to force interim supply through the house, whether or not that committee reaches a decision. This is a big stick indeed that is being waved before the House of Commons.

Why is it not possible for the committee to settle this matter? There are a large number of members on that committee. There are 14 members from the government side on the committee and surely they have some friends among those people who frequently cross the floor of the house when a vote is about to take place to get instructions apparently as to what to do. Why do their friends on that committee not come to their assistance now? The membership of the committee is 29, with 14 government members. They need one more, and they can decide the issues. Why are they delaying? This is what we would like to know. Let that committee decide, and then we will not have to go through this method, and this procedure, of sitting night and day to try to wear out some people who have a grievance against this government.

I should like to propose a solution to this difficulty, Mr. Speaker, but before presenting that solution may I say that the actions of our party on Thursday and Friday, when we were debating interim supply, were clearly set out. We withdrew from any debate on interim supply in the last hour and a half on Thursday. Similarly, on Friday, we withdrew from the debate. We were not opposed to interim supply going through on Thursday or on Friday. We were quite content to proceed. As a matter of fact, at my request, the hon. member for Acadia consented to forgo his bill. We were prepared then to go ahead. We could have continued the sitting of the house until six thirty or seven o'clock on Friday, and concluded the matter.

Well, that is the position of our party on this. We want to get ahead with other matters. We want to see other aspects of the government's program, and to let them continue making the mistakes which they are so proficient at making instead of stalling on the interim supply bill. This is something which should be passed and dealt with by the house very quickly.

However, the solution proposed by the Secretary of State is, I think, unsatisfactory under the circumstances. In view of the fact the problem is not one resting here on the floor of the house at the moment, but is in front of a committee of the house, if that committee will report to the house then we dispose of that particular problem and get on with interim supply. We have had an ultimatum from the hon. member for Lapointe. Let the committee settle the question and, I take it from his remarks, there will then not be a filibuster on interim supply. If the committee does not settle the matter, then there will be a filibuster. However, let us divide this question up into its two components. What is the report of the committee? What is its decision, since that committee is heavily weighted with government supporters?

Consequently, Mr. Speaker, I move, seconded by the hon. member for Edmonton West (Mr. Lambert):

> That, all the words after the word "that" in line one be struck out and the following be substituted therefor:
>
> "In order to facilitate the proceedings on the interim supply resolution now before the house, and on the supply bill to be based thereon, the matters in dispute which the house has not yet resolved and which were referred to the committee on privileges and elections on Monday, September 30, 1963, be determined and to that end the standing committee on privileges and elections shall be empowered to sit while this house is sitting and, effective on the adoption of this resolution, shall immediately resume its sittings and shall sit daily and shall direct its attention to making a final report to this house on the said matters within 48 hours".

Mr. Speaker: In the short time at my disposal, I have considered this amendment

to the motion as carefully as possible. In my view it is beyond the scope of the motion as moved this afternoon. It is a new and distinct motion which, itself, requires notice. It is also in the nature of giving instructions to the committee. For these three reasons, I must declare that, in my opinion, the amendment sought by the hon. member is out of order.

Mr. Churchill: Mr. Speaker, it would have been helpful perhaps to have heard hon. members on this particular point. However, a decision has already been made and I have no recourse but to appeal your ruling.

Mr. Speaker: The house has heard the decision of the Chair, from which the hon. member for Winnipeg South Centre has appealed to the house. All those in favour of sustaining the decision of the Chair will please say yea?

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Mr. Speaker put the question as follows:

"The question before the house is an appeal from the Speaker's ruling.

"To a motion to provide for the suspension of the hour of evening adjournment and also to provide for several readings in any sitting of a projected interim supply bill, the hon. member for Winnipeg South Centre (Mr. Churchill) proposed an amendment, namely:

"That all the words after the word 'That' in line 1 be struck out and the following be substituted therefor:

"In order to facilitate the proceedings on the interim supply resolution now before the house, and on the supply bill to be based thereon, the matters in dispute which the house has not yet resolved and which were referred to the committee on privileges and elections on Monday, September 30, 1963, be determined and to that end the standing committee on privileges and elections shall be empowered to sit while this house is sitting and, effective on the adoption of this resolution, shall immediately resume its sittings and shall sit daily and shall direct its attention to making a final report to this house on the said matters within 48 hours".

The Chair having decided that the proposed amendment was beyond the scope of the main motion, that it was in the nature of a substantive motion which required notice thereof, and also that it was in effect an instruction to a standing committee, ruled the proposed amendment out of order. Whereupon the hon. member for Winnipeg South Centre appealed to the house from the decision of the Chair.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Bechard
Beer
Benson
Berger
Blouin
Boulanger
Byrne
Cantin
Cardin
Caron
Chapdelaine
Chevrier
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Drouin
Drury
Dube
Dupuis
Emard
Ethier
Favreau
Forgie
Francis
Garland
Girouard
Godin
Gordon
Gray
Greene
Guay
Habel
Haidasz
Hahn
Harley
Hays
Honey
Jewett, Miss
Klein
Laing
LaMarsh, Miss
Lamoureux
Laniel
Laverdiere
Leboe
Leduc
Lessard (Lake St. John)
Lloyd
Macaluso
Macdonald
MacEachen
MacNaught
McIlraith
McMillan
McNulty
McWilliam
Martin (Essex East)
Matheson
Matte
Moreau
Morison
Mullally
Nicholson
O'Keefe
Olson
Ouellet
Patterson
Pearson
Pennell
Pepin
Pickersgill
Pilon
Regan
Richard
Rideout
Rinfret
Robichaud
Rochon
Rouleau
Sauve
Sharp
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—101.

NAYS

Messrs:

Aiken
Baldwin
Barnett
Bell
Boutin
Brewin
Cadieu (Meadow Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Casselman, Mrs.
Chatterton
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Doucett
Douglas
Fairweather
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Forbes
Gauthier
Gregoire
Gundlock
Hales
Hamilton
Harkness
Herridge
Horner (Acadia)
Howard
Irvine

Jones	Orlikow
Jorgenson	Ormiston
Knowles	Pascoe
Lamb	Perron
Lambert	Peters
Laprise	Pigeon
MacLean (Queens)	Plourde
Macquarrie	Prittie
MacRae	Pugh
McBain	Rapp
McIntosh	Rheaume
Madill	Ricard
Mandziuk	Rondeau
Martin (Timmins)	Simpson
Martineau	Smallwood
Millar	Southam
Monteith	Starr
Moore	Stefanson
Muir (Lisgar)	Stenson
Nasserden	Watson (Assiniboia)
Nesbitt	Webb
Nielsen	Webster
Noble	Weichel
Nowlan	Willoughby
Nugent	Winkler—88.

Mr. Speaker: I declare the decision sustained.

Mr. Woolliams: Mr. Speaker, if I had voted I would have voted against your ruling. I was paired with the hon. member for Verdun (Mr. Mackasey).

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

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

[*Translation*]

Mr. Jean Chretien (St. Maurice-Lafleche): Mr. Speaker, I was paired. Had I voted, I would have voted to sustain your decision.

[*Text*]

Mr. Nasserden: Mr. Speaker, on a point of order, should not those who stand to say they are paired state with whom they are paired?

Mr. R. N. Thompson (Red Deer): Mr. Speaker, coming back to the motion before the house it is my intention to make only a brief intervention at this time to indicate the position of the Social Credit party with respect to the motion now before us. As we listened to the hon. member for Winnipeg South Centre (Mr. Churchill) in his rebuttal of the motion we witnessed an interesting display of political showmanship, rather profound in its presentation but so insipid in its content and wasteful of our time. My advise to the hon. member for Winnipeg South Centre—

An hon. Member: You are the one who needs advice.

Mr. Thompson: —is simply that two wrongs can never justify a right. The height to which politics has risen in this house today is merely the pot calling the kettle black. Yes, the country still looks for leadership and responsible action from us who collectively make up this House of Commons.

The real issue is not one of urgency or non-urgency; it is a matter of right and wrong. The question which is before the committee on privileges and elections at this time is one which has existed since confederation. It is not a matter of immediate politics; it is a matter of principle upon which we have asked the committee to make a recommendation to this house. The question before them is simply, what is the correct and proper thing to do? I did say, as I have said before, that when a piece of legislation is brought before the house we should go through with it. All that this resolution is asking at the present time is that we go through with the interim supply motion.

The motion introduced by the Secretary of State (Mr. Pickersgill) has been occasioned by the announced intentions of a small number of members of this house to block the passage of an interim supply motion and the bill which follows, as well as other important legislation, until and unless parliament yields to some demands which are of a purely political nature, thereby denying the house the right to decide an issue in a democratic manner. This amounts to tyranny by a minority. We submit, Mr. Speaker, that this constitutes blackmail of the most odious nature and indicates the necessity for such drastic revision of the rules of this house as are necessary to make such a situation impossible in the future. Parliament cannot be bullied into submission. No matter how we disagree with the views of its members, democracy involves the giving of a fair hearing to minorities. It must also involve the fact that the majority finally decides what action is to be taken on a matter. Perhaps consideration should be given at this time to suspending any further meetings of the committee on privileges and elections until this threat is removed. If it is not, the committee will be sitting under a cloud; it will be sitting under a threat and that is not the way in which democracy should function.

The motion calls for the suspension of standing order 6 concerning the time of the evening adjournment which, of course, would permit an uninterrupted sitting of this house until the interim supply resolution had been approved. Although we have doubts as to the effectiveness of this measure we are prepared to support the motion in the hope that it will in the long run expedite the business of the house and allow us to go ahead with the important legislation which awaits us including the measure to increase the pensions of senior citizens, as well as

interim supply in order to assure the continuance of monthly cheques in respect of other assistance measures such as family allowances, quite apart from the payment of our civil servants and members of the armed forces. We wish at this time to identify our position. We wish to dissociate ourselves from any attempt to coerce parliament in the way which occasioned the introduction of this motion, and we hope that good judgment and concern for national welfare will yet prevail in this house and that we shall act as legislators rather than just as political opportunists.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I feel the motion introduced by the Secretary of State (Mr. Pickersgill) shows that the Secretary of State enjoys resorting to blackmail—

Some hon. Members: Oh, oh.

Mr. Caouette: —by making us believe that if we refuse to let interim supply pass the government will be prevented from paying its bills and its civil servants, from passing legislation to increase old age pensions in this country.

Mr. Speaker, such statements, made to get the newspapermen's attention, may have the effect of throwing the blame on the group I represent in this house by suggesting that we prevent the old people from receiving their pension, the civil servants from getting their pay and the government's bill from being paid.

I do not believe a word what the Secretary of State said a while ago, not any more than I endorse the purely political statements the hon. member for Winnipeg South Centre (Mr. Churchill) made when he blamed the government for not doing what they themselves did not do when they were in office.

In the present circumstances, we are of the opinion that we should proceed with the adoption of as much legislation as possible. It is a fact. But, Mr. Speaker, I wish to draw your attention to the fact that over a month ago I wrote to you personally to ask you to consider the seating arrangement in the House of Commons, as well as the allocation of offices in the parliament building. Now, Mr. Speaker, I submit most humbly and with all possible respect that you could have settled the question in five minutes. You yourself could have made the decision.

Reference has just been made to the majority rule in a democracy. Well, the political party to which we belong held a provincial convention in Granby. There was also a caucus of members of parliament at which all were invited and where there was a majority vote in our favour. And when we submit that—

[*Text*]

Mr. Knowles: I rise on a point of order. I do not do so because I have any particular grudge against the hon. member for Villeneuve, but merely because I think this is a matter which should be dealt with early in the proceedings.

Is it in order to discuss in the House of Commons a matter which has been referred to a standing committee and upon which that committee has not yet reported? I know that already references have been made to the subject but, for the most part, they have been to the effect that that is where the matter is now under consideration—that the subject should not be dealt with in this chamber. But when it comes to discussing the merits of the question, whether by the hon. member for Villeneuve or by any other hon. member, the point of order arises: can members of this house discuss something which has been referred to a standing committee?

Mr. Speaker: I am indebted to the hon. member for having raised the question of relevancy. I agree with the hon. member in his contention and I was hoping that the hon. member for Villeneuve was merely making a few introductory remarks because the matters he was about to discuss are, it would appear, matters for decision by the committee to which they have been submitted.

On the question of relevancy, which is the point at issue at the moment, I think it would be useful if I were to refer to Bourinot, pages 340 and 341, section V:

> Freedom of debate requires that every member should have full liberty to state, for the information of the house, whatever he honestly thinks may aid it in forming a judgment upon any question under its consideration. But it is nevertheless the duty of the Speaker of the house (or chairman of committee), to interfere when he finds that the member's remarks are not relevant to the question before the house. On such occasions, he may very properly suppose "that the member will bring his observations to bear upon the motion before the house"; or "that he will conclude with something that will bring him within order". And he may find it necessary to caution a member that "he is approaching the limits of propriety which confine hon. members in speaking to that which is relevant to the subject in hand", and to express the hope "that he will be careful to confine himself to that which is relevant." In other words, he must direct his speech to the question before the house—

And, of course, the question before the house is the motion of the Secretary of State.

> —or committee, or to the motion or amendment he intends to move, or to the point of order raised. If the Speaker or chairman believes that his remarks are not relevant to the question the member so transgressing will be called to order. The precise relevancy of an argument is not always perceptible, but the Speaker must be satisfied that it is relevant,

otherwise he reminds the member that he must speak to the question. It follows therefore that the debate must not stray from the question before the house to matters which have been decided during he current session, nor anticipate a matter already appointed for the consideration of the house.

In the circumstances I can only suggest to all hon. members that they confine their remarks to the motion which is under discussion at the present time.

[*Translation*]

Mr. Caouette: Mr. Speaker, I will continue by pointing out that I firmly believe that in a democratic country it does not belong to any political party, in this house, or elsewhere, to decide our own political status.

When we held a convention—as I said earlier—which was perfectly legal—

Some hon. Members: Order.

Mr. Caouette: —we decided to join forces, 13 members of parliament.

Some hon. Members: Order.

Mr. Caouette: Why then ask the Liberal party or the Conservative party to decide whether or not we are a political party? That is what it means.

Today we are accused of wanting to boycott legislation. The committee has been meeting since last Monday—I did not and will not go there. We are told that the committee sits; it does not sit; it meets, and no decision is reached.

Personally I wish to suggest something to the house. If we were given the assurance that a decision will be reached at the earliest possible moment, then we would be most willing to co-operate with the government. But until now we have had only discussions, and that since last Monday, a week ago today.

We ask to be given our own seats as well as our own offices, because in this corner of the house—you will agree—we are two separate groups, and it is ridiculous to keep us in the situation we find ourselves in.

We ask to be recognized. That is democracy, recognizing the rights of minorities. We are a minority party, I admit, but democratic rights should be recognized. The hon. member for Red Deer (Mr. Thompson) said: Two wrongs do not make a right. That is true. Something is right and something is wrong.

[*Text*]

Something is wrong and something is right but at this time I feel that he is wrong and we are right.

[*Translation*]

We are seeking nothing but the recognition of democratic principles. After that, we will object no more.

Do not come along with sad stories or blackmail by telling us that civil servants will not be paid tomorrow evening or the day after, that they will have to cash their cheques Thursday or the following Tuesday. That is nothing but hogwash.

It was stated a while ago that in the past—in fact, no later than last year—we took a week or ten days to adopt interim supply and civil servants were paid just the same. At the time, we had a Conservative government in power instead of the present Liberal regime, but there is little difference between the two. When one party takes over from the other, he inherits the problems of his predecessor. The same problems are always there and the same far fetched solutions are proposed. Now, Mr. Speaker, I draw the attention of all hon. members to the fact that we are recognized as members elected by voters in our ridings of the province of Quebec. Well, we must be recognized as a group in this house, and then we shall be willing to help the government and even support it. But a decision must be arrived at within one or two hours of discussions during the whole week, the decision being postponed until the next day or the day after, to reach a solution, in two months' time, that perhaps would not be acceptable. Whether or not the solution is acceptable, this committee should come to a decision which will recognize our existence in the house.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure that no member likes the idea of removing the hours of adjournment so that we face the prospect of sitting all night. Nevertheless I am prepared to support this motion if there is no other compromise that can be found so that the business of the country can be continued and certain important legislation, particularly that having to do with increasing old age pensions, can be dealt with at the earliest possible date.

Let us take a brief moment to see why we are in the situation in which we find ourselves. The supporters of the hon. member for Villeneuve (Mr. Caouette) feel they have a grievance with reference to their seating in the house, and their recognition as a political party or group. I must say, Mr. Speaker, that I think this is an important question, and the members of the New Democratic party are also concerned about the question of seating in the house and recognition of priorities. That is why the hon. member for Winnipeg North Centre (Mr. Knowles) a week ago today moved a motion to refer this matter to the committee on privileges and elections. That committee was only constituted last Thursday and it has not had very much time. I

would say to the hon. member for Villeneuve that if it becomes apparent that this committee is dragging its feet or that it is stalling or deliberately putting off reaching a decision, we will be as active as any other members in raising the matter in the house and urging that the committee reach a decision and make a report to the house.

But I want to say to the hon. member for Villeneuve that surely the seating arrangements in this house, whether for the Créditistes or for the New Democratic party, are relatively unimportant compared to the conduct of the public affairs of Canada. As my colleague, the hon. member for Winnipeg North Centre, said last week in introducing his motion, it is an honour to sit in any part of this house, and while we will be just as zealous as any other group in asking that we be given proper recognition I do not think this justifies any group in the house, no matter how important they may think they are, being allowed to hold up interim supply and thereby making it impossible to meet accounts which are due.

What is just as serious, Mr. Speaker, is that by holding up interim supply we are holding up proceeding with the amendments to the Old Age Security Act. I think the house wasted three days last week discussing the resolution precedent to that bill. It could have been passed in a couple of hours but three days were lost. I want to point out that as far as this group is concerned we put up two speakers, both of whom spoke less than 10 minutes. We were prepared last Thursday to see the interim supply measure go through. We do not think that any group of members, on the basis of a personal grievance affecting their privileges in this house—not on a matter of policy, not on something which affects the welfare of Canada—has the right to stop the conduct of public affairs; and that is what holding up interim supply amounts to.

I want to make an appeal to the hon. member for Villeneuve and to those who are supporting him. After all, not only the eyes of Canada but the eyes of many countries are upon this democratic parliament. In the world in which we live democracy is on trial as it has not been for many decades. Democracy can be destroyed and discredited just as much by people from within as by its enemies from outside. The very essence of democracy is a capacity for self-discipline. The success of democracy depends upon the willingness of those who sit in parliament to forget their petty bickerings and partisan advantage wherever the public good is involved.

I would say that parliament is making a pretty poor spectacle of itself when interim supply is held up and when a bill to increase old age pensions is held up merely because we in this corner of the house feel that we have a grievance about the seating arrangements, a matter which I might point out is already before a parliamentary committee and under consideration. I would therefore urge the supporters of the hon. member for Villeneuve to reconsider their attitude. I would urge them to consider the public image which we are creating for the people of Canada. If we are to restore people's faith in democratic procedures, I think it can only be done if the general public are convinced that this parliament is serious about conducting public affairs.

I am sorry the government did not give some consideration to the amendment which was moved by the hon. member for Winnipeg South Centre, because I am not sure that removing the closing hours and sitting all night is necessarily going to push through interim supply. I suppose eventually, by a process of exhaustion, we will get interim supply through. But that is not a very happy way in which to conduct the affairs of this parliament. It seems to me that the hon. member for Winnipeg South Centre made an eminently sensible proposal. Your Honour has ruled the amendment out of order, and so I am not going to discuss it. But it seems to me if some agreement could be reached among the various parties, that the committee will sit while the house is sitting, that it will try, within 48 or 72 hours or a shorter time if possible, to bring down a report, then the hon. member for Villeneuve and his supporters could be assured that this committee is not going to drag out this matter for weeks or months or that this is simply a stalling device. If this course could be agreed to by the government, and the gentlemen who feel aggrieved are prepared at the same time to allow interim supply to go through, then we could get on with the business of the house.

I make an appeal to both the government and the Creditistes to get together to see if a compromise cannot be worked out. I am prepared to support this motion if it is the only alternative, but I am not sure, Mr. Speaker, that it will solve our problem. It will certainly mean that for the next 48 hours or so we will be sitting night and day listening to an interminable discussion, not by members who are objecting to some vote in the interim supply measure, but simply listening to speeches that are made for the purpose of holding up the business of the house. It seems to me that is not a spectacle that is likely to enhance the prestige of democracy either in Canada or in other parts of the world.

I do hope some agreement can be reached whereby the committee would undertake to meet while the house is sitting, and to bring down a report before the end of this week.

I hope, at the same time, the hon. member for Villeneuve and his supporters will agree to forgo the filibuster which they have threatened, and forgo the attempt to blackmail this house into bullying the committee into doing something it is not prepared to do. If they are prepared to make this kind of compromise, and the government is prepared to accept such a compromise, we can get on with the business of the house. However, if such a compromise cannot be reached, I would like to make it clear I am prepared to support the motion.

Mr. Alexis Caron (Hull): Mr. Speaker, I should like to tell the hon. member for Burnaby-Coquitlam that I have called a meeting of the steering committee for this afternoon. We want to decide when we are going to sit, and it is the steering committee that is going to decide. If the house wants to give us the right to sit while the house is sitting, we can sit this evening for as long as it is desired to decide the question. However, I have to get orders from either the house or the committee, and that is the thing for which I am waiting.

Mr. H. F. Jones (Saskatoon): In view of the remarks that have just been made, and in view of the remarks of the hon. member for Burnaby-Coquitlam, as well as the fact that Your Honour ruled out the amendment made by the hon. member for Winnipeg South Centre on technical grounds, I wonder whether or not that suggestion could be concurred in by unanimous consent. It does seem to be the feeling in all parts of the house that an effort should be made to settle this question without involving the house. Perhaps by adopting the suggestion made by the hon. member for Hull, this might be considered over the supper hour and either the amendment concurred in or a compromise motion made.

Mr. Pickersgill: May I be permitted to say a word on the point that has been raised? I know this is completely contrary to the rules, sir, and if anyone objects I will sit down. If there is no objection, I should like to take up the point made by the hon. member for Saskatoon in pursuance of the point made by the hon. member for Burnaby-Coquitlam.

As the hon. member for Hull has pointed out, the steering committee is going to meet this afternoon, and perhaps that could be done while we are considering private members business. Perhaps they could agree to have a meeting of the full committee at six o'clock, which it would be quite legal to do. The committee could then ask for the permission of the house to sit this evening, which we could give at eight o'clock. Then, it might be that this whole matter could be resolved this evening while the house is sitting. If that could be done, I would be very happy indeed to suspend my motion right away.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to set straight a certain impression which might seem to prevail. We never intended and we still do not intend to needlessly delay the proceedings of the house.

We would not want the house to think that we are prepared to delay the proceedings merely to have the seats distributed in the house. Such is not the case.

There is one situation which was brought up as far back as last Monday; it was dealt with in the press all across the country, in the province and in our ridings, and it was said that there would be a discussion as to whether the Ralliement des creditistes would be recognized or not. At that time, the people of the province of Quebec were asking us how it was that with 13 French Canadians in the house, we could not be recognized as a political party.

Some hon. Members: Oh, oh.

Mr. Gregoire: Mr. Speaker, I see the hon. member for Red Deer (Mr. Thompson) motioning to sit down. He often pulled on my sleeve in order to make me sit down when we were discussing matters concerning the problems of the French Canadians in this house and I wish to protest.

[*Text*]

Mr. Thompson: Mr. Speaker, I did not ask the hon. member for Lapointe to sit down. I want that on the record.

[*Translation*]

Mr. Gregoire: It is so true that he has risen on a question of privilege, and I should like to answer that the hon. member for Red Deer has suggested—

Some hon. Members: Order.

[*Text*]

Mr. Speaker: I would ask the hon. member for Lapointe to stick to the matter before the house, which is the motion. As a matter of fact, I should like to suggest at this time, in view of the suggestion of the Secretary of State, that perhaps the house might consider the adjournment of the debate. Would the hon. member for Lapointe accede to such a suggestion?

[*Translation*]

Mr. Gregoire: Mr. Speaker, we are willing to accept the suggested solution, namely that the committee sits as soon as possible. At one time, as we said, we talked about delaying the carrying of interim supply in order to

draw the attention of the house on what we consider as an illogical situation, that is the fact that the proceedings of a committee cannot be carried out more speedily.

Now that there is an indication that the proceedings of the committee will be hastened, now that the attention of the house has been drawn on that point and that the committee is ready to proceed as quickly as possible, I shall say once again that we are not here to block the business of the house nor the increase in old age pensions. We merely wanted to draw the attention of the house on the present situation, and it seems to me that this is enough.

[*Text*]

Mr. Thompson: Mr. Speaker, I should like to go on record, on behalf of our party, as indicating that we would be very happy to go along with the suggestion made by the Secretary of State, should that suggestion receive approval from all corners of the house.

Mr. Speaker: May I point out that we would need a motion to adjourn this debate.

Mr. G. H. Aiken (Parry Sound): Mr. Speaker, if I may make one suggestion, it does not seem to me that the committee has to ask for leave to sit while the house is sitting. This is a motion which can be made in the house itself by the house itself. I would suggest, with unanimous consent, we might have that motion made now because there is no need to go through with the procedure which the hon. member for Hull (Mr. Caron) has suggested, and the house on its own can give instructions to the committee.

Mr. Pickersgill: I think that is a very sensible suggestion and if it were known there would be unanimous consent to have such a motion made by the hon. member for Hull (Mr. Caron), and if the house would concur in a motion that the committee be allowed to sit while the house is sitting, then I would suggest someone should move the adjournment of this debate and let the hon. member for Hull make that motion. Then we could proceed in the ordinary way with the business of the house from now on.

Mr. Knowles: Since there seems to be no objection I move, seconded by the hon. member for Comox-Alberni (Mr. Barnett) that this debate be now adjourned.

Motion agreed to and debate adjourned.

PRIVILEGES AND ELECTIONS—LEAVE TO SIT WHILE HOUSE IS SITTING

Mr. Alexis Caron (Hull): Mr. Speaker, I make a motion that the steering committee meet right away—

[Mr. Gregoire.]

Some hon. Members: No, no.

Mr. Caron: —and that the committee should have the right to sit while the house is in session.

Mr. Speaker: I understand that you are adding to the motion "by unanimous consent of the house"?

Mr. Caron: By unanimous consent of the house.

Motion agreed to.

COMBINES INVESTIGATION ACT

Mr. P. V. Noble (Grey North) moved for leave to introduce Bill No. C-100, to amend the Combines Investigation Act (Captive sales financing).

Motion agreed to and bill read the first time.

NATIONAL HARBOURS BOARD ACT

SUBSTITUTION OF FRENCH NAME "TROIS RIVIERES"

Hon. G. J. McIlraith (Minister of Transport) moved the first reading of Bill No. S-39 (from the Senate), to amend the National Harbours Board Act.

Some hon. Members: Explain.

Mr. Speaker: There is no debate on this bill.

Motion agreed to and bill read the first time.

QUESTIONS

Mr. Pickersgill: Mr. Speaker, the following questions are to be answered today: 691, 973, 1,071, 1,098, 1,099, 1,101, 1,103, 1,110, 1,155, 1,157, 1,158, 1,159, 1,171, 1,176, 1,177, 1,178, 1,187, 1,193, 1,204, 1,209, 1,210, 1,212.

If Your Honour would be good enough to call starred questions 1,182, 1,183, 1,186, 1,192, 1,194, 1,195, 1,241 I would ask that the remaining questions stand.

(Questions answered orally are indicated by an asterisk.)

RECOMMENDATIONS OF JOINT COMMITTEE ON INDIAN AFFAIRS

Question No. 691—**Mr. Howard:**

What action, in detail, has been taken with respect to each of the following recommendations of the joint committee of the Senate and the House of Commons on Indian affairs:

"(a) The question of transferring health services for Indians to the provinces should be discussed at a dominion-provincial conference, but the present health program should be continued and extended until such time as this can be accomplished.

(b) Provincial welfare legislation and services should be used for the benefit of the Indian population.

(c) Social welfare should be placed on the agenda of a dominion-provincial conference with a view to transferring jurisdiction to the provinces.

(d) A substantially increased public investment should be made in Indian housing and sanitation facilities.

(e) A revolving loan fund for housing purposes should be established."?

Mr. Munro: (a) This matter is under consideration for possible inclusion on the agenda of a dominion-provincial conference.

The level at which the health program for Indians has and is being maintained can be gauged from the following information which represents expenditures from the organization and maintenance vote of the Indian and northern health services:—

1960-61	$21,066,958
1961-62	22,127,361
1962-63	23,083,138
1963-64	23,479,215

(b) It is the policy and practice to use provincial welfare legislation and services for Indians wherever possible. Welfare services and social benefits available to Indians, other than those financed entirely by Indian affairs branch or through band funds, are provided from one of two sources:

(i) welfare programs developed through cooperative cost-sharing arrangements with provincial, municipal and private organizations; and (ii) welfare programs operated by other federal and provincial departments of government.

Categorical assistance

Indians are eligible for family allowances and old age security administered by the federal government as well as for old age assistance, blind and disabled persons' allowances administered by provincial governments.

In Ontario and Quebec, Indian women receive mothers' allowances on the same basis as non-Indian mothers. Under the Nova Scotia assistance program, Indian mothers and abandoned Indian children are recipients of provincial social assistance.

Public assistance

In Quebec there has been some experimentation with the inclusion of Indians in an over-all assistance program.

Under the Ontario general welfare assistance act, 33 Indian bands (about half the Indian population of Ontario) participate in the provincial welfare assistance program.

In Saskatchewan, all provincial welfare services are available to Indians living off reserves.

The province of British Columbia provides welfare assistance to Indians, who are living off reserves and who have not established residence in a municipality, on a refundable basis from Indian affairs branch.

Child welfare

As the field of child welfare is a provincial responsibility, there is a variance from one province to another in the administration and financing of the child care programs. In all provinces, Indian affairs branch assumes responsibility for the maintenance of Indian children under the care and supervision of the child welfare agency.

In British Columbia, Alberta, Quebec and Prince Edward Island, child welfare services are available to all children of the province on the same basis.

An agreement between the federal and British Columbia governments provides for a federal contribution toward the administrative costs of two social workers employed full time among the Indian population in the Smithers and Prince Rupert areas.

Child welfare services in Saskatchewan are extended to Indian reserves on a very limited referral basis from Indian affairs branch to the provincial department of child welfare.

An agreement between the federal government and the children's aid societies of western Manitoba provides for the extension of child welfare services to the reserves within the area of jurisdiction of the children's aid societies of western Manitoba.

Child welfare services are available to all reserves in Ontario through agreements with the federal government and the children's aid societies.

In New Brunswick, certain children's aid societies have provided limited child welfare services on reserves; however, there is no agreement with the provincial government and/or societies.

An agreement between the government of Nova Scotia and the federal government allows for the extension of child welfare services to all Nova Scotia reserves.

The federal and Yukon territorial governments have an agreement whereby the territorial government assumes responsibility for the administration of child welfare services and the federal government makes a financial contribution toward the administrative costs.

The department has an arrangement with northern affairs by which child welfare services and professional consultative services in all aspects of welfare in the district of Mackenzie are provided by northern affairs and national resources.

Rehabilitation

In British Columbia, in Ontario, and in the maritime provinces, the benefits and services of the provincial rehabilitation programs are extended to Indian handicapped persons on the same basis as to non-Indians.

In Alberta, an agreement has been negotiated whereby the Alberta tuberculosis association has assumed responsibility for extending rehabilitation services to handicapped Indians at Indian affairs branch cost.

In Saskatchewan, an agreement has been in effect for some years with the provincial council for crippled children and adults whereby the Indian affairs branch pays a service charge as well as direct costs for work done with handicapped Indians.

In Manitoba, the sanatorium board of that province has been operating a rehabilitation program, under contract with the Indian affairs branch, that has been specially designed to help the young rehabilitants adapt to urban living conditions.

(c) This matter is under consideration for possible inclusion on the agenda of an appropriate dominion-provincial conference.

(d) A substantial investment in public funds for housing and sanitation facilities on behalf of Indians has been made in recent years. Since 1959, expenditures for these purposes are as follows:

Year	Sanitation	Houses	Total
1959-60	$ 46,387.29	$1,995,896.73	$2,042,284.02
1960-61	254,276.98	1,979,702.82	2,233,989.80
1961-62	354,806.98	2,191,693.12	2,546,500.10
1962-63	381,740.39	1,951,807.26	2,333,547.65
Total	$1,037,211.64	$8,119,099.93	$9,156,311.57

(e) The operation of a housing loan fund for Indians on reserves is contingent upon suitable amendments being made to the Indian Act.

INDIAN AFFAIRS—RELIEF FOOD ASSISTANCE

Question No. 973—**Mr. Howard:**

1. With respect to the Indian affairs branch maximum scales of relief food assistance, what are the names of the settlements which are eligible for supplementary relief food allowance, and of these settlements which ones fall into each of the categories A, B, C and D?

2. By whom was the determination made so to establish each such settlement as being eligible for the supplementary relief food scale, and upon what date was each such determination made?

Mr. Munro: 1. Indian bands eligible for supplementary relief food allowances:

Agency	Location of Agency Office	Band	Category	Date Approved
Ontario				
Fort Frances	Fort Frances	Lac La Croix	A	April 8, 1959
Sioux Lookout	Sioux Lookout	Fort Severn	A	November 24, 1960
Sioux Lookout	Sioux Lookout	Deer Lake	A	January 17, 1961
Sioux Lookout	Sioux Lookout	Trout Lake	A & B	January 17, 1961
Sioux Lookout	Sioux Lookout	Osnaburgh	A	January 17, 1961
Nakina	Nakina	Fort Hope	B	April 6, 1959
Nakina	Nakina	Martin Falls	B	April 6, 1959
James Bay	Moose Factory	Nemiska	B	September 10, 1959
James Bay	Moose Factory	Great Whale River	D	April 25, 1963
Manitoba				
Clandeboye	Selkirk	Little Grand Rapids	A	April 15, 1959
Nelson River	Ilford	Shamattawa	B	March 24, 1959
District of Mackenzie				
Aklavik	Inuvik, N.W.T.	Fort Franklin	A	September 10, 1959
Aklavik	Inuvik, N.W.T.	Fort Good Hope	A	September 10, 1959
Aklavik	Inuvik, N.W.T.	Arctic Red River	A	September 10, 1959
Aklavik	Inuvik, N.W.T.	Fort Norman	A	September 10, 1959
Aklavik	Inuvik, N.W.T.	Fort McPherson	A	November 9, 1959
Aklavik	Inuvik, N.W.T.	Old Crow	C	November 9, 1959
Fort Simpson	Fort Simpson	Fort Wrigley	A	September 10, 1959
Fort Simpson	Fort Simpson	Fort Liard	A	December 20, 1959
Fort Simpson	Fort Simpson	Fort Simpson	A	September 16, 1960

Questions

Agency	Location of Agency Office	Band	Category	Date Approved
British Columbia				
Skeena River	Prince Rupert	Kincolith	A	April 15, 1959
Terrace	Terrace	Canyon City	A	April 15, 1959
Terrace	Terrace	Greenville	A	April 15, 1959
Terrace	Terrace	Gitlakdamix	A	April 15, 1959
Stuart Lake	Vanderhoof	Finlay River	A	April 15, 1959
Stuart Lake	Vanderhoof	Takla Lake	A	April 15, 1959
Yukon Territory				
Yukon	Whitehorse	Atlin Teslin	A	May 15, 1959
Yukon	Whitehorse	Selkirk	A	May 15, 1959
Yukon	Whitehorse	Champagne	A	May 15, 1959
Yukon	Whitehorse	Mayo	A	May 15, 1959
Yukon	Whitehorse	Teslin Lake	A	May 15, 1959
Yukon	Whitehorse	Dawson	A	May 15, 1959
Yukon	Whitehorse	Carmacks	B	May 15, 1959
Yukon	Whitehorse	Kluane	A	May 15, 1959
Yukon	Whitehorse	Liard River	A	May 15, 1959
Yukon	Whitehorse	Ross River	D	May 15, 1959
Yukon	Whitehorse	Tahltan	D	June 26, 1963
Yukon	Whitehorse	Whitehorse	A	May 15, 1959

Summary

Category	Bands
A	29
B	6
C	1
D	3
	39

2. Eligibility of Indian bands for supplementary relief food allowance is based upon local food prices. Recommendations for increased assistance are submitted by Indian agency superintendents through the office of the Indian commissioner for B.C. or through the appropriate regional office in other provinces and forwarded to the Indian affairs branch in Ottawa for approval. Alternatively, an enquiry regarding food costs is initiated by branch headquarters if there is reason to believe that consideration should be given to granting supplementary allowances in any particular area.

JAMES COUTTS

Question No. 1,071—**Mr. Fisher:**

1. What office does Jim Coutts hold in the government?

2. What is his age, place of birth, institutions of education attended and educational qualifications, governmental or business experience (position held, length of experience, name of firm or employer), and initial and present salary with the government?

3. What length of time has this gentleman undertaken to serve the government and/or what engagement in length of time was given to him?

4. In brief, what particular qualities of Mr. Coutts led to his engagement?

Mr. Pearson: 1. Secretary to the Prime Minister.

2. 25—High river, Alberta. Nanton consolidated school—grades 1-12 University of Alberta—B.A., LL.B Practised law—Calgary—McLaws & Co. $9000.

3. None specified.

4. Ability to do the job.

RECOMMENDATIONS OF FAUTEUX REPORT

Question No. 1,098—**Mr. Orlikow:**

Is the government considering repealing the Ticket of Leave Act, the Prisons and Reformatories Act, and certain portions of the Penitentiary Act, and their replacement by one statute that deals in a comprehensive manner with the matters now dealt with in these acts, as recommended by the Fauteux report?

Mr. Chevrier: The government is not presently considering the consolidation of the legislation referred to by a single statute. However, the Ticket of Leave Act was repealed and replaced by the Parole Act, which came into force on February 15, 1959; a new Penitentiary Act came into force in 1961; and the Prisons and Reformatories Act is under review.

VISITS BY JUDGES TO PENAL INSTITUTIONS

Question No. 1,099—**Mr. Orlikow:**

1. What arrangements has the government made for visits of magistrates and judges to penal institutions to which they sentence offenders who appear before them, as recommended in the Fauteux report?

Questions

2. What steps has the government taken to implement the recommendations of the Fauteux report that courts rely to a much greater extent upon pre-sentence reports?

Mr. Chevrier: 1. In most penitentiaries, magistrates and judges are frequent visitors and such visits are encouraged. Every request from the judiciary to visit penitentiaries receives immediate attention and the visit is arranged. An item of $5,000 is included in the current estimates of the Department of Justice to cover travelling expenses of judges for this purpose.

2. No action has been taken by the federal government but it is understood that, in certain provinces at least, the use of pre-sentence reports is being extended.

OBSERVATION BY JUDGES OF CORPORAL PUNISHMENT

Question No. 1,101—**Mr. Orlikow:**

Is the government considering requiring that magistrates and judges who order corporal punishment be required to observe the actual imposition of such punishment at least once annually?

Mr. Chevrier: No.

LEGISLATION RESPECTING SUSPENDED SENTENCE, PROBATION, ETC.

Question No. 1,103—**Mr. Orlikow:**

Is the government giving consideration to legislation to effect (a) the abolition of a number of the restrictions on the power of the courts to suspend the passing of sentence (b) the authorization of probation without conviction (c) the amendment of criminal law to prevent imprisonment in default of payment of fines by persons who are unable to pay them and (d) that distinction be made in the law, as far as times for payment of fines is concerned, between indictable offences and summary conviction offences, all of which is recommended in the Fauteux report?

Mr. Chevrier: As to (a) and (b) the desirability of such legislation is being studied by the Department of Justice in connection with the continuing criminal law amendment program.

As to (c) and (d) sections 622 and 694 of the Criminal Code were amended in 1959 to provide, in respect of indictable and summary conviction offences alike, that where an accused person is fined the court shall consider any representations made by him as to whether time should be allowed for payment, and lay down other conditions designed to prevent imprisonment for inability to pay fines.

AFTER-CARE FOR CERTAIN PAROLEES

Question No. 1,110—**Mr. Orlikow:**

Is the government considering what means could be used to provide specialized after-care for particular types of parolees such as sex offenders, drug addicts, alcoholics and psychopaths, as recommended by the Fauteux report?

[Mr. Orlikow.]

Mr. Chevrier: Supervision is provided for serious sex offenders, drug addicts, psychopaths and most alcoholics while on parole, either by parole officers or private or public agencies under the direction of the parole board.

Arrangements are made in appropriate cases for referral to and treatment in, psychiatric or specialized clinics, where available, and in some cases special conditions are imposed in the parole agreement signed by the parolee.

The government is considering also what means could be employed to expand or improve the existing facilities and to provide more intensive supervision and surveillance in these classes of cases.

SURVEYS RESPECTING CAESIUM 137 LEVELS

Question No. 1,155—**Mr. Orlikow:**

1. Has the government any information concerning the results of surveys conducted by U.S. health authorities in Alaska and, if so, (a) what was the nature of such results and (b) what level of caesium 137 was found by surveys?

2. Is the federal government conducting similar surveys among Eskimos in northern Canada and, if so, (a) have any preliminary results been received and (b) has any comparison been made between U.S. results and any Canadian results?

Miss LaMarsh: 1. Yes. The results indicate that the levels of caesium 137 in Alaskan Eskimos who feed largely on caribou and reindeer meat are higher than those found elsewhere in Alaska or in the rest of the United States. Whole body counting measurements of caesium 137 in adult Alaskan Eskimos in 1962 ranged from 3 to 790 nanocuries. The highest observed level is less than the level recommended by the international commission on radiological protection as a basis for health assessment for individuals within the population. The highest average level for any community was 421 nanocuries. Typical levels in adults in other parts of the United States in 1962 were 5 to 7 nanocuries.

2. Yes. A study of fall-out levels in northern Canada has been initiated. This is a co-operative project involving units of the Department of Northern Affairs and National Resources and the Department of National Health and Welfare. The study is composed of a number of related but separate surveys. To date no direct measurements of caesium 137 in Canadian Eskimos have been made by whole body counting. Arrangements have however been made for such measurements. Urine specimens are being collected now and will be measured to give an indication of average caesium 137 levels in people in different communities. Samples of caribou and reindeer meat are also being received and measured for caesium 137; it is hoped that the first report on these measurements will be available in about a month. Levels of

caesium 137 in Canadians living in the more populated parts of Canada were about the same as those found in the United States during 1962.

NON-PRESCRIPTION SALE OF ANTIBIOTIC PREPARATIONS

Question No. 1,157—**Mr. Orlikow:**

Has the government any information concerning proposals by the U.S. food and drug administration to ban the non-prescription sale of lozenges, nose sprays, mouth washes, deodorants and skin lotions containing antibiotics and, if so, are steps being contemplated for similar control in this country?

Miss LaMarsh: The Department of National Health and Welfare is being kept informed by the United States food and drug administration of its study of this subject.

No product registered in Canada under the Proprietary or Patent Medicine Act is permitted to contain an antibiotic. Only a few antibiotics are permitted in non-prescription preparations whose sale is subject to the Food and Drugs Act and regulations and the relevant regulations are under constant review in the light of any health hazards that may be observed in their use.

FROBISHER BAY—ADMISSION OF ESKIMOS TO RECREATION QUARTERS

Question No. 1,158—**Mr. Orlikow:**

Are Eskimos refused admittance to the quarters of the Department of Transport employees at the Frobisher Bay recreation association at Frobisher Bay, N.W.T. and, if so, under what authority, and when were these regulations promulgated?

Mr. McIlraith: No. The Frobisher airport recreation association is not operated by the department but is organized by its employees to provide recreation for themselves and their families, and membership includes Eskimo employees and their families. Active membership is open to all employees of the Department of Transport, associate membership to other residents of Frobisher Bay.

USE OF ANTIBIOTICS IN ANTI-COLD PREPARATIONS

Question No. 1,159—**Mr. Orlikow:**

Is the government considering banning the use of antibiotics now used in many anti-cold preparation prescriptions on the grounds that they are of no value in preventing colds or in protecting otherwise healthy people from the complications that sometimes follow a cold?

Miss LaMarsh: The primary responsibility for determining the possible therapeutic value of a prescription drug containing an antibiotic rests with physicians. The government would consider a prohibition of the inclusion of antibiotics in prescription drugs sold for the alleviation of cold symptoms only if a serious health hazard were demonstrated to exist.

POULTRY EVISCERATION PLANTS, MANITOBA

Question No. 1,171—**Mr. Jorgenson:**

1. How many poultry evisceration plants are there in the province of Manitoba?
2. How many of these are licensed by the health of animals division?
3. When were they licensed?
4. What is the total volume of birds processed through each of the plants in Manitoba from 1959 to 1962?
5. What are the percentages of condemned birds from each plant, each year, from 1959 to 1962?

Mr. Hays: 1. The department's records indicate there are 24.

2. Nine.

3.

Plant	Address	Date of Registration
Canada Packers Ltd.	Winnipeg	Jan. 8, 1951
Swift Canadian Co. Ltd.	Winnipeg	Feb. 6, 1952
Swift Canadian Co. Ltd.	Neepawa	Oct. 6, 1958
Manitoba Dairy & Poultry Cooperative Ltd.	Winnipeg	Oct. 23, 1957
Blumenort Cooperative Produce Ltd.	Blumenort	Nov. 6, 1957
Geo. Dueck & Sons Ltd.	Niverville	Sept. 30, 1958
Pembina Poultry Packers Limited	Morden	Oct. 1, 1956
Dominion Poultry Sales Limited	Winnipeg	June 27, 1950 (not operating at present)
Winkler Cooperative Creamery Ltd.	Winkler	May 8, 1957 (temporarily closed for 1963 season)

4. and 5. Inasmuch as this information represents the volume of business of private concerns available to the department through the provisions of the Canada Meat Inspection Act, it is not published. However, total volume of all poultry slaughtered through health of animals branch inspected plants in Manitoba is available and is shown in the following table along with the number condemned.

Questions

	Eviscerated	Condemned	Percentage
1959-60	3,642,159	44,377	1.21%
1960-61	3,572,742	46,480	1.30%
1961-62	4,463,224	Not yet available	—

ARDA PROJECTS, INTERLAKE REGION, MANITOBA

Question No. 1,176—**Mr. Stefanson:**

1. Has an interim report been received by the government on the two research projects and the five community and economic studies of the interlake region of Manitoba, approved by the federal government on March 15, 1963, under the Agricultural Rehabilitation and Development Act and, if so, will it be made available to members of the House of Commons and other interested parties?

2. Has the government any plans for projects in the interlake area, in addition to the eleven cost sharing projects announced on March 15, 1963 and, if so, what are they, and the estimated cost?

Mr. Hays: 1. No report has been received.

2. Five additional projects have been approved in the interlake area of Manitoba. The nature of these projects, the total cost of each and the amounts allocated as the federal share are set forth in the following table:

Project	Total Cost	Federal Share
Land capability surveys in the interlake and west lake regions to develop a land capability map of fringe or frontier areas.	$24,800	$12,400
A land utilization study of the interlake region to prepare a land zoning or administration map for guidance in development.	62,000	62,000
To appraise the commercial fishery to determine the economic benefits which could be derived by the rural people of the interlake area.	99,290	49,645
To accelerate the soil survey program in the interlake region to provide background information for the soil capability inventory.	23,000	23,000
To determine the leadership structure of people associated with agricultural-fishing communities.	7,500	7,500

AIRSTRIP SURFACE, FORT SIMPSON, N.W.T.

Question No. 1,177—**Mr. Rheaume:**

1. Has the Department of Transport any plans to put a gravel surface on the airstrip at Fort Simpson, N.W.T. and, if so, when will this project begin, and what will be the cost?

2. If not, will the department examine this matter and provide for this urgently required surface as soon as possible?

[Mr. Hays.]

Mr. McIlraith: 1. The department's forecast of estimates provides for the gravelling of runway 12-30 together with the apron and taxiway. No estimate can be given as to when this project will begin since it depends on provision of sufficient funds but it is tentatively scheduled for the year 1966-67. The estimated cost for the whole project is slightly over $1,000,000.

2. A full economic and engineering study will be undertaken before the work outlined in the answer to part 1 is undertaken.

ACCESS TO AIRPORT, FORT SIMPSON, N.W.T.

Question No. 1,178—**Mr. Rheaume:**

1. Does the Department of Northern Affairs and National Resources have any plans to construct a causeway from the mainland to the island to allow year-round access by the residents of Fort Simpson to their airport and, if so, when will this project get underway?

2. If not, will the department consider providing this vital and urgent link?

Answer: 1. No.

2. Yes, when the volume of traffic increases to such an extent as to warrant the high cost involved. There is at present a causeway between the island and the mainland which is useable throughout the year except a few weeks in spring during the break-up of the Mackenzie river.

*TRIP TO WINDSOR BY EXTERNAL AFFAIRS MINISTER

Question No. 1,182—**Mr. Irvine:**

1. Did the Secretary of State for External Affairs make a trip to and from Windsor, Ontario, on September 25 last in a government aircraft at government expense?

2. If so, what was the purpose of this trip?

Mr. Martin (Essex East): Mr. Speaker, the answer to No. 1 is yes. The answer to No. 2 is, on government business having partly to do with trade and economic matters which were being discussed with the representatives of the government of another country in Ottawa that day, and as I had to participate as chairman of the Canadian delegation, it was necessary to make these arrangements.

*PAYMENT FOR WHEAT SOLD TO RUSSIA

Question No. 1,183—**Mr. Côté (Chicoutimi):**

1. Does the government consider the Russian rouble to be convertible currency?

2. Will the payment of wheat sold to Russia be made through a bank transfer from the Bank of Moscow or the Bank of London?

Mr. Pepin: Export agents of the Canadian wheat board receive payment following the loading of wheat on each vessel on presentation of documents to a Canadian bank. The question as to how the Canadian bank receives the funds from the U.S.S.R. is a private commercial matter between the buyer and the Canadian banks.

*PASSAMAQUODDY TIDAL POWER DEVELOPMENT

Question No. 1,186—**Mr. Coates:**

What is the status of the negotiations between the government of Canada and the government of the United States related to the Passamaquoddy Tidal Power Development?

Mr. Martin (Essex East): Mr. Speaker, in response to this question I may say that we do not feel that we have sufficient information at the present time to give any positive indication as to the government's position. This matter, however, has been discussed with the premier of New Brunswick, and we have asked for some more information from the United States. There are no negotiations under way.

PERSONS PRESENT AT RUSSIAN GRAIN SALE NEGOTIATIONS

Question No. 1,187—**Mr. Simpson:**

What are the names of all those present during the negotiations with the Russians in relation to the recent grain sale?

Answer: The negotiations of the Canada-U.S.S.R. trade agreement and the wheat sales to the U.S.S.R. were closely related. The following were present during either or both discussions:

Canadian government trade delegation

Honourable Mitchell Sharp,
Minister of Trade and Commerce.

J. H. Warren,
Assistant deputy minister, trade policy, Department of Trade and Commerce.

W. C. McNamara,
Chief commissioner, Canadian wheat board.

W. Riddel,
Assistant chief commissioner, Canadian wheat board.

V. L. Chapin,
Department of Trade and Commerce.

R. V. N. Gordon,
Department of Trade and Commerce.

R. M. Esdale,
Department of Trade and Commerce.

C. J. MacCallum,
Department of Trade and Commerce.

O. G. Stoner,
Department of External Affairs.

Questions

D. S. McPhail,
Department of External Affairs.

J. Fast,
Department of External Affairs.

M. Sakellaropoulo,
Department of Finance.

J. A. MacPherson,
Department of Finance.

D. W. McGill,
Department of National Revenue.

H. D. MacDermid,
Department of National Revenue.

F. Shefrin,
Department of Agriculture.

Soviet government trade delegation.

S. A. Borisov,
First deputy minister, ministry of foreign trade of the U.S.S.R.

A. H. Manzhulo,
Ministry of foreign trade.

V. M. Ivanov,
Ministry of foreign trade.

L. M. Matveev,
Head of V/O exportkhleb.

B. L. Popov,
Ministry of foreign trade.

A. P. Korostelov,
Ministry of foreign trade.

V. N. Platonov,
Ministry of foreign trade.

N. J. Kuzminsky,
Head of bureau of translation, ministry of foreign trade.

*RICHARD O'HAGAN—SALARY

Question No. 1,192—**Mr. Fisher:**

1. What is the salary, as of October 1, of Richard O'Hagan of the Prime Minister's office?
2. Has Mr. O'Hagan received any salary or expenses from MacLaren's Advertising Agency since April 22, 1963?

Mr. Davis: 1. $10,000.

2. No.

PASSAMAQUODDY TIDAL POWER DEVELOPMENT

Question No. 1,193—**Mr. Rondeau:**

1. Has the American government recently made representations to the Canadian government regarding negotiations concerning the tidal power at Passamaquoddy and, if so, what stage has been reached in these negotiations?
2. Has the commission on territorial waters submitted a report on the matter recently?

Questions

[*Translation*]

Mr. Martin (Essex East): The United States government has indicated that it was willing to discuss the matter with the government of Canada but there are no negotiations under way at the moment. See also my reply to question No. 1,186.

2. The final report of the joint international commission on that matter was published on May 1, 1961.

[*Text*]

*SUGAR BEET SUBSIDY PAYMENT, ST. HYACINTHE-BAGOT CONSTITUENCY

Question No. 1,194—**Mr. Ricard:**

Since the establishment of the agricultural prices stabilization board and up to March 31, 1963, what has been, for each of the fiscal years concerned, the amount of the grants paid to the producers of sugar beets in the constituency of Saint-Hyacinthe-Bagot?

Mr. Beer: The agricultural stabilization board has not recorded payments to producers of sugar beets by constituency but up to March 31, 1963, total deficiency payments to producers of sugar beets in the province of Quebec were as follows:

Fiscal year 1959-60 crop	$ 73,040
Fiscal year 1960-61 crop	$ 76,502
Fiscal year 1961-62 crop	$122,085
Fiscal year 1962-63 crop	$168,891

*MILK SUBSIDY PAYMENTS, ST. HYACINTHE-BAGOT CONSTITUENCY

Question No. 1,195—**Mr. Ricard:**

Since the establishment of the agricultural prices stabilization board and up to March 31, 1963, what has been paid as a grant of 25 cents a hundredweight of milk to the operators of each of the following factories: Société Coopérative Agricole, St-Germain, Co. of Drummond; Théodore Jodoin, St-Théodore d'Acton, Co. of Bagot; Société Coopérative Agricole, St-Hugues, Co. of Bagot; Deslauriers & Frère-Paul Jodoin, St-Liboire, Co. of Bagot; Felice DiPalma, St-Liboire, Co. of Bagot; Helidore Parent, Ste-Hélène, Co. of Bagot; Société Coopérative Agricole, St-Simon, Co. of Bagot; Théodore Gevry, St-Pie, Co. of Bagot; Alfred Bernard, La Présentation, Co. of St-Hyacinthe; Produits Laitiers Val Maska, St-Damase, Co. of St-Hyacinthe; Charles Benoit & Irénée Larivière, La Présentation, Co. of St-Hyacinthe; Lussier & Frère Enr., St-Hyacinthe, Co. of St. Hyacinthe; Produits Laitiers Mont St-Hilaire, St-Hyacinthe, Co. of St-Hyacinthe?

Mr. Beer: The agricultural stabilization board does not make grants of 25 cents per hundredweight for milk to the operator of any processing plant.

Plants are reimbursed for payments made to individual producers on behalf of the agricultural stabilization board.

[Mr. Rondeau.]

PREFERENTIAL TARIFF WITH SOUTH AFRICA

Question No. 1,204—**Mr. Rondeau:**

1. Does the government of Canada intend to maintain its preferential tariff policy for the republic of South Africa even if that country has withdrawn from the commonwealth?

2. On what ground has the government made its decision in this regard?

3. What was the amount of trade with the republic during the last fiscal year?

4. What part of that amount went to the preferential tariffs granted?

Answer: 1. Canada exchanges tariff preferences with the republic of South Africa on the basis of the bilateral trade agreement negotiated with that country in 1932. The validity of that agreement does not depend on membership in the commonwealth.

2. The basis on which the government continues to extend preferential tariff treatment is, as indicated above, a trade agreement which continues in force unless denounced by either party on six months' notice.

3. For the fiscal year ended March 31, 1963, South African exports to Canada totalled $17.5 million. For the same period Canadian exports to South Africa amounted to $42 million.

4. In 1962 approximately 25 per cent of Canadian exports to South Africa entered at preferential rates of duty. There is no specific figure available on what percentage of South African exports to Canada enjoy tariff preferences. However, in 1962 of the nine leading South African exports to Canada valued at $12 million, $6.5 million or 54 per cent entered under a preferential tariff.

CANADIAN BORROWINGS IN U.S.

Question No. 1,209—**Mr. Scott:**

1. Does the government have statistics as to the total amount of Canadian borrowings in the U.S.A.?

2. If so, what was the total value of such borrowings from (a) January 1, 1963 to July 18, 1963 and (b) July 18, 1963 to September 30, 1963?

Answer: 1. Yes.

2. The sale to residents of the United States of new issues of Canadian bonds and debentures produced $401 million in the period from January 1 to March 31, 1963, and $366 million in the period April 1 to June 30, 1963. These totals included amounts sold earlier for delivery in these quarters. Sales in the first quarter totalled $531 million and in the second quarter $134 million.

Data are not available for parts of quarters and totals for the third quarter are not yet complete.

REPORT RESPECTING INVISIBLE TRADE BARRIERS

Question No. 1,210—**Mr. Scott:**

1. Has the government's attention been drawn to the report on invisible trade barriers between

Canada and the United States recently published under the sponsorship of the Canadian-American committee?

2. Is the government presently investigating the extent to which trade liberalization in Canada and the U.S.A. may be limited by (a) discretionary authority given customs officials to value and classify imports (b) interpretation by such officials of escape clauses in trade agreements (c) administrative zeal in restricting imports in ways not sanctioned by law?

3. Briefly, what plan does the government have to deal with the problems raised by the above mentioned report?

Answer: 1. Yes. The government is aware of this publication by the Canadian-American committee of the national planning association (U.S.A.) and the private planning association of Canada.

2. The government considers any subjects bearing on trade liberalization, on a continuing basis and as a matter of day to day business. There is no special investigation being conducted in respect of the points mentioned in the question. As regards (a) procedures are available in both countries to consult the customs authorities about value and classification problems, to seek a review, and to appeal decisions of officials. As regards (b), the invocation of escape clause procedures of international agreements would be a matter to be decided by the government in Canada; under United States law decisions on these matters are made by the president, after a report by the U.S. tariff commission has been made. As regards (c), it is of course the case that the laws of a sovereign country must be administered. As indicated above, established appeal procedures are available.

3. Invisible barriers to Canadian exports, or non-tariff barriers as they are called, are a matter of interest and concern wherever they exist. We are continuing to press for removal of such barriers in our international trade consultations with other countries. The subject of non-tariff barriers to trade will be considered at the GATT trade conference next year.

CANADIAN-POLISH COMMON TRADE DEVELOPMENT POLICY

Question No. 1,212—**Mr. Scott:**

1. Have the talks between deputy trade minister James A. Roberts and foreign trade minister Witold Trampczynski of Poland been completed?

2. Briefly, what is the nature of the "Canadian-Polish common trade development policy" that the Polish press agency PAP reported as having been agreed upon during such talks?

Answer: 1. Yes.

2. The deputy minister of my department has just returned from a visit to Poland and other eastern European countries. This visit was in return for a number of visits from officials of these countries to Canada and in response to invitations which have been extended on various occasions. These were, of course, opportunities to exchange views on various trade matters. In the course of these discussions it was made clear that both sides are interested in developing mutually advantageous trade between the two countries. To this end there is in prospect a return visit to Canada later this month of a Polish trade delegation. Such a visit will provide a further opportunity to exchange views on trade matters.

*SCOTT MISENER STEAMSHIPS LTD.

Question No. 1,241—**Mr. Cowan:**

1. Is the Scott Misener Steamships Ltd., mentioned at the bottom of page 54 in the report of industrial inquiry commission on the disruption of shipping (Norris report), a federally chartered company?

2. Who were the directors of the company in 1959, and who are the directors in 1963?

Mr. Pickersgill: 1. Yes—incorporated on December 5, 1933 under name Colonial Steamships, Limited,—name changed to Scott Misener Steamships Limited by supplementary letters patent dated December 31, 1958.

2. According to the annual summary as of March 31, 1959 the directors of the company were: R. Scott Misener, Port Colborne, Ont.; J. N. McWatters, Port Colborne, Ont.; Ralph S. Misener, Winnipeg, Man.; F. H. Brown, Vancouver, B.C.; A. E. Pequegnat, Waterloo, Ont.; E. P. Murphy, Ottawa, Ont.; N. T. Berry, Toronto, Ont.; John E. F. Misener, Welland, Ont.; John A. France, Winnipeg, Man.;
as of March 31, 1960:

R. Scott Misener, Port Colborne, Ont.; Ralph S. Misener, Winnipeg, Man.; John E. F. Misener, Welland, Ont.; John A. France, Winnipeg, Man.; J. N. McWatters, Port Colborne, Ont.; N. T. Berry, Toronto, Ont.; A. E. Pequegnat, Kitchener, Ont.; F. H. Brown, Vancouver, B.C.; E. P. Murphy, Ottawa, Ont.;
and as of March 31, 1963:

J. N. McWatters, R.R. No. 2, Wainfleet, Ont.; N. T. Berry, 7 May Street, Toronto, 5, Ont.; A. E. Pequegnat, 241 Frederick St., Kitchener, Ont.; F. H. Brown, Suite 1312, Standard Bldg., Vancouver, B.C.; R. Scott Misener, 74 West St., Port Colborne, Ont.; Ralph S. Misener, 300 Dromore Avenue, Winnipeg, Man.; John E. F. Misener, 55 Parkway Ave., Welland, Ont.; John A. France, Fonthill, Ont.

Mr. Speaker: Orders of the day. It being five o'clock the house will revert to private members' business.

SHIPPING

SUGGESTED INQUIRY INTO WINTER NAVIGATION ON ST. LAWRENCE

Mr. Thomas M. Bell (Saint John-Albert) moved:

That, in the opinion of this house, it is expedient that Her Majesty's government consider the advisability of appointing commissioners under Part I of the Inquiries Act:

(a) to inquire into the extent of winter navigation on the St. Lawrence river and its effect on the Atlantic provinces;

(b) to determine whether such action is in accord with the original spirit and mutual pledges of co-operation in which confederation was conceived;

(c) to make such recommendations as they deem appropriate having regard to forging a dynamic national policy with particular respect to air, sea and land transportation in which the future of every region will be fully utilized with maximum benefits to that region.

He said: Mr. Speaker, this private members' notice of motion has been drafted a little wider than might have been necessary. In essence it simply deals with the effect of winter navigation on the ports of Saint John and Halifax. I have brought it under the Inquiries Act because of the present aversion to royal commissions. It is not inappropriate, either, that we should be discussing the St. Lawrence at the present time, in view of the problems that exist there. This matter has not been debated to any great extent through the years. There has been some discussion on the estimates of the Department of Transport and a few questions have been asked in the house from time to time, but I find no complete record of a full debate. I approach this matter, Mr. Speaker, in a non-partisan way, and I understand that the hon. member for Halifax, and others, will be joining in this debate. I want to point out at the beginning that we in the maritimes do not stand in the way of progress: we, ourselves simply do not wish to be paying for this progress.

Some history should be placed on record in connection with this matter. We could go back to confederation to find various statements that were made at that time about the importance of New Brunswick and Nova Scotia and their ports, and how they should be considered in any plans that might be put into effect in 1867. Sir John A. Macdonald is on record as having referred to this matter. I came across a very pertinent excerpt from the pre-confederation debates of 1865, in the provincial parliament of Canada, in Quebec, third session, page 349. Mr. Joly, the member for Lotbiniere, in speaking about Sir Etienne Taché, the president of the council, said this:

The honourable president of the council tells us that he is favourable to confederation, because it will give us a seaport at all seasons of the year—a most powerful argument, he adds, in its favour. We stand in great need of a seaport in the winter season, more especially if the United States abolish the right of transit. Absolutely, without reference to that, we require it in order to perfect our system of defence.

Various statements have been made by people through the years about this matter. I recall the late Mr. Clarence Gillis, at one time a member from Cape Breton, was always a strong advocate about the problems that would be presented with the St. Lawrence seaway. In fact, in the light of the remarks made recently about maritimers by the hon. member for Port Arthur (Mr. Fisher), I often wish Mr. Gillis was with us in the house again, because he certainly would have dealt with the hon. member from his own party in his own strong way. Mr. Rand Matheson of the maritime transport commission always had fears in the early days of the seaway that when business was taken inland it would mean a greater use of the St. Lawrence in the summer. I recall Mr. Sam Balcom, a former member for Halifax, who on many occasions tabled questions about this matter, and Mr. Yvon Tasse, who was a member from Quebec, was also a great advocate of winter shipping in the city of Quebec.

We pointed out to him on many occasions that his difficulty in promoting the port of Quebec in the wintertime was that once Quebec was fully open the traffic would go past the door and on to Three Rivers and Montreal. I only mentioned these names, Mr. Speaker, to show that there has been some interest in this question, although there have not been any recorded debates. I mentioned this matter in the house on June 11, 1954, and the minister of transport at that time, now the present Minister of Justice (Mr. Chevrier), said:

I can tell my hon. friend that I cannot see any possibility of keeping the St. Lawrence route open during 12 months of the year. Certainly there is nothing envisaged in the plans for the development of the seaway, either jointly or separately, in connection with power and navigation, which would have anything to do with that subject either directly or indirectly. I do not foresee that in the immediate future, unless it be by atomic power, with which I am not competent to deal, there is any possibility of a longer season of navigation on the St. Lawrence.

Mr. Speaker, that brings the matter up to date. The icebreaking continues and we in Saint John and Halifax are faced each year during the winter season with the headlines of the newspapers that plague us incessantly. I have just copied some newspaper headlines to give the house an idea of the apprehension that exists in our minds. "Eleven icebreakers for St. Lawrence"; "More icebreakers urged for gulf"; "Labour protests

policy on Quebec icebreaker"; "Halifax becoming 'ghost town' port". These, I may interject, are headlines from Halifax and Saint John newspapers. Then "Montreal winter shipping—'feasible sooner or later' "; "Testing methods of removing ice"; "Icebound ship set free". That was on the St. Lawrence. "Nova Scotia port union boss says icebreakers shortening season"; "Year-around route stimulates industry—$100 million Levis development"; "Icebreakers have busy gulf season", and so on.

In order to prove my case conclusively, Mr. Speaker, I have some official figures published by the dominion bureau of statistics which show the traffic which has been built up at the ports of Quebec, Three Rivers and Montreal in January, February and March, the full winter season, from 1958 to 1963. With your permission, Mr. Speaker, and the permission of the house I would like to have this brief table printed in *Hansard*.

The Acting Speaker (Mr. Batten): Order. Has the hon. member for Saint John-Albert the permission of the house to have this table printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Tons of export and import cargoes loaded at Quebec, Three Rivers and Montreal, P.Q. in the months January, February and March—1958 to 1963 inclusive

	1963	1962	1961	1960	1959 (See note)	1958
Tons loaded—export	63,733	39,833	30,303	40,943	13,815	nil
Tons unloaded—import	28,020	29,796	25,671	24,824	245	nil
Total tons—export & import	91,753	69,629	55,974	65,767	14,060	nil

Note: Excludes 41,506 tons loaded at Montreal which were carried in ships caught at Montreal in 1958 fall freeze-up and subsequently released by icebreakers in January of 1959.

Source: d.b.s. shipping statistics.

Mr. Bell: This matter has been presented on many occasions. The last formal time I recall its being raised was in a brief to the former minister of transport on May 30, 1961. This was a brief presented by the ports of Halifax and Saint John. It was most constructive. I refer to the part at the end of their brief where they dealt with the test of this matter of icebreaking and said:

> The question should not be where the icebreaker is working, but what it is doing and whether the results meet an essential public need or national interest; or maybe whether the results are to some extent contrary to national interest and policy.

Certain representations were made in Saint John and Halifax to the MacPherson royal commission, but they felt that the terms of reference did not include a treatment of this subject. While there was a veiled reference in volume 2 of the MacPherson report there was not anything of a helpful nature in so far as concerns this matter which looms so large to these ports.

We were encouraged, however, when recently the Atlantic development board accepted as one of their first projects this entire subject. The former member for Halifax, Bob McCleave, was aggressive in his approaches to the Atlantic development board, as it was newly constitued and they accepted, as I say, a full study of this matter. I notice that this is to be continued by the new directors who made a statement on September 27, 1963, to the effect that the Atlantic development board will continue the economic examination of the effect on Atlantic ports, of winter shipping in the St. Lawrence seaway, and a scientific and engineering study of winter shipping in the St. Lawrence. This will be carried out together with existing studies that are being made by the national harbours board, and others.

I feel that one should be constructive about a matter such as this. I have jotted down a few questions that the Atlantic development board and others interested in this matter might wish to consider. First of all, will the ice in the straits still be a danger, even with icebreaking in the St. Lawrence? What is the threat from fresh water ice in the spring? Would all the winter traffic figures for the St. Lawrence be business that would otherwise have come to Saint John and Halifax? Has any activity that formerly went through American ports been diverted to any Canadian ports because of winter navigation? Have insurance rates changed in any way to spread extra costs for winter navigation over all ports of eastern Canada? Has export business been held up in the spring in order to wait for the opening of the St. Lawrence; and also, are orders rushed through Montreal in the fall before closing? Has there been any actual benefit to Halifax from the opening of Quebec in the winter as suggested? Is it possible to assess the costs of icebreaking even in a general way? If the St. Lawrence were navigable all year, would any legitimate new business be created that does not presently exist?

I throw those thoughts out, Mr. Speaker, and in addition suggest that some of the solutions might be of this nature. First, special costs assessed to shipping companies varied to the thickness of ships' plates, as in many northern European countries such as Finland.

Second, individual icebreaker service should be paid for when and if needed. And third—and this is the suggestion that meets with more favour from responsible bodies in the maritimes—set freight rates on a directly competitive basis with the St. Lawrence; that is to say, with no advantage to the St. Lawrence, at least in wintertime. This equalization would, of course, be in the nature of a direct subsidy. It would be interesting to compare the estimates of these subsidy proposals with that of the entire cost of icebreaking services throughout the winter season on the St. Lawrence. Those are some solutions.

In closing, Mr. Speaker, I merely say that this is a fast-moving transportation world. We are very apprehensive in Saint John and Halifax. I am speaking particularly from a Saint John standpoint when I say that we were at one time the fourth largest city in Canada, and probably the largest port at the time of confederation. We have many problems. We have a transit type of port activity, and the St. Lawrence would take more from us than Halifax. We are primarily serviced by Canadian Pacific. They are changing their passenger plans and making many other different moves, especially with regard to freight. We hear of trans-oceanic air freight, and such air freight is a big issue. We also wonder about trucking. If trucking had been given a completely free hand, would it have made a difference to our ports? As far as Saint John is concerned, the West Indies has always loomed large to us from an economic trading point of view, and we have had what business there has been from Cuba. What is our position in the future in this regard? These are all questions which have to be answered. I quote from the Ottawa *Journal* of recent date with reference to this matter:

> Perhaps Saint John is but the victim of our geography; a geography which, left to itself, ordains that Canada's growth must mainly be with our central regions, and beyond these to the west and the Pacific. Nor is it easy to combat geography; to overcome the consequences of resources—or lack of them—in given areas.
>
> Yet Saint John's position, one of the problems of a Canadian nationhood, deserves the thought of all of us. For a land half prosperous and half poor is hardly the stuff of greatness.

We in the maritimes, Mr. Speaker, realize that we cannot stop the inevitable, as I said in my opening remarks. This is a request for the full, ungarnished facts. We want the cold truth so that we will know where our future lies. The people there, I am sure, will accept as we have in the past, certain facts of life, and go from there in co-operation with government to different or even related activities. This has been demonstrated on many previous occasions, and certainly a challenge such as this can be met with our usual forthrightness.

[*Translation*]

Mr. Maurice Rinfret (St. James): Mr. Speaker, in view of the fact that I represent a riding which is interested in harbour development, I welcome this opportunity of stressing with all hon. members the importance of harbours throughout Canada and the impact of their operation on our economy.

The hon. member for Saint John-Albert (Mr. Bell) is worried about the harbours of the maritimes and his concern is due to winter navigation on the St. Lawrence river.

The hon. member for Saint John-Albert does not seem to share the views expressed by his former Conservative colleague, the former minister of transport, Hon. George Hees, at the annual dinner of the dominion marine association and of the lake carriers association held at Montebello on January 22, 1958. Speaking of aids to navigation, Mr. Hees stated that it was possible for certain ships to ply the St. Lawrence in winter and he had this to say:

> Thanks to those ships, practically all needs should be met within a few years in the St. Lawrence river and the gulf districts, including the winter navigation that might be possible in the various ports of the lower St. Lawrence and even in Quebec harbour.

The hon. member for Saint John-Albert must not have appreciated either the statement made by his Conservative colleague, the present member for Three Rivers (Mr. Balcer), minister of transport in the previous Conservative government, who on January 4, 1962, delivered a speech about winter navigation.

The January 5, 1962 issue of *La Presse* published an item about the official opening of winter navigation in Three Rivers, in which Hon. Leon Balcer was reported as having said:

> The federal government will endeavour to encourage shipping as far as the port of Three Rivers, because such an activity will promote to large extent the economic development not only of the Three Rivers area but of the whole country.

The hon. member for Saint John-Albert was a member of this house in 1958 and in 1962, and we never heard him complain to his two colleagues who were ministers of transport from 1957.

To reassure the hon. member for Saint John-Albert about his fears concerning prosperity of maritime ports, I will quote him a few figures which are an indication of the prosperity of these ports. Reviewing statistics published by the national harbours board, we can see that the gains in tonnage for the port of Saint John, show an increase of

82 per cent in 1960 compared to 1959, an increase of 14 per cent in 1961 over 1960 and a slight decrease in 1962.

Concerning the port of Halifax, it maintained the same tonnage in 1960 and 1961; in 1962, the tonnage increased by 7 per cent.

Those figures indicate that, at the present time, the ports of Halifax and Saint John are not only maintaining their operations but are experiencing an increase in tonnage for import and export goods, even though during the winter navigation on the St. Lawrence has increased.

Hon. members realize that the Department of Transport's icebreaker service must ensure winter navigation on the St. Lawrence so that merchant ships may proceed on the lower St. Lawrence and in the gulf itself.

It is imperative for the industrial development of the north shore that ships carrying ore, paper and aluminum from nearby plants to the United States and Europe stop over in centres like Port Cartier, Seven Islands and Baie Comeau.

The south shore will one day be more industrialized than it is at present. Assistance should be given by both the federal and provincial governments to that economically underdeveloped area to attract new industries. Communities like Chandler, Perce, Rimouski and Riviere du Loup will require water transportation facilities all year round.

The co-operation of icebreakers is also required to assist the ferryboats which ply between the north shore and the south shore of the St. Lawrence, as well as the small coasting vessels which give the service between the neighbouring ports of the lower St. Lawrence and the north shore of the gulf, in order that, in the absence of a railway, those centres may be supplied and may ship the goods produced by the local industries.

For a few years, European and Canadian shipyards have been building boats reinforced to such a degree that they can resist to navigation amidst the floating ice. Some of those ships have gone upstream and reached the ports of Quebec and Three Rivers, thus promoting our imports and exports at a reduced rate for the cost of transportation. Such reinforced boats resort to icebreakers when they find deep ice, but they can navigate without help in the regions covered with floating ice or thin ice.

Above Three Rivers and up to Montreal, the icebreakers are in service to prevent the floods caused by ice piling up along the shore and in the channel. Therefore, the icebreakers are called upon to prevent such ice jams.

After all, winter shipping on the St. Lawrence river is done thanks to the icebreakers, reinforced ships, coasters and ferryboats which are essential in order to supply and ensure the economic life of certain areas along the river.

The hon. member for Saint John-Albert which are essential in order to supply and inquiry and study the shipping situation all across Canada. I do not think that an inquiry is necessary. This government has set up two boards which are certainly aware of this problem, the Atlantic development board and the national economic development board.

These two national agencies, following research and surveys, will be in a position to make recommendations for the continuation by the Canadian ports of their operations on the present scale and for an increase of their yearly volume of goods.

Science progress and the development of new industrial areas will ensure an increased traffic in our Canadian ports, and all the areas served by harbours should be able to take advantage of these benefits.

I hope that all our national ports will share in the economic growth of our country and that governments at all levels, as well as private industry, will provide them with the necessary funds in order to meet their objectives, that is economic prosperity and stability.

[*Text*]

Mr. D. M. Fisher (Port Arthur): We should like to support the motion advanced by the hon. member for Saint John-Albert (Mr. Bell) while expressing some regret that the hon. member who has just spoken from the government side should have given us what is almost the traditional answer—"Why didn't you do something about it when you were in power?"

The hon. member for Cochrane (Mr. Habel) interjects: "He did not say that". I am paraphrasing what I think was the effect of what the hon. member was saying. I stand corrected if I gave the impression that he said so in those exact words.

Part (b) of the motion would, of course, be very difficult, I imagine, for any board of inquiry to analyse and develop, but I certainly agree very much with what is stated in parts (a) and (c). I have brought up this subject on a number of occasions in previous parliaments, as I think the hon. member for Saint John-Albert will probably remember. One of my reasons for doing so, and I should probably be somewhat ashamed about it, was that it was guaranteed to start some kind of argument because, obviously, the interests of the maritime members, particularly of those

members who represent Halifax and Saint John, are strongly affected by developments on the St. Lawrence.

It was obvious to me that there were some differences of opinion within the previous government with regard to the gradual development of icebreaking services and other aids to winter navigation which were being pushed forward by the Department of Transport. I feel there was a marked tendency for people in politics to speak differently in different parts of the country in connection with this controversy. I have always felt there should be a consistency in approaching this problem. My personal feeling is that the Department of Transport has, under instruction, gone out of its way to assist in the development of winter navigation on the St. Lawrence and I believe the people in the maritimes have had every right to complain about this, since it has not been stated in a context which had regard to the interests and facilities they have.

I recall that on one occasion when I brought this question up in a debate in this house I was told by a government employee who is an authority on shipping that there would be a saving of approximately $20 a ton on the freight of everything brought into Montreal or Quebec in the wintertime, compared with having it go to Halifax or Saint John first. This figure in itself, given to me by a government employee, was argument enough to convince me that this matter ought to be examined very thoroughly.

I should like to congratulate the hon. member for Saint John-Albert for having brought this question to the attention of the house and I hope the government will consider accepting his suggestion that there should be such an inquiry. Among other things it would, if adopted, remove this extremely controversial subject from the tricks that can be played with it by people pushing a partisan point of view.

If I might speak on a side issue for a few moments, I should like to say to the hon. member for Saint John-Albert—and this has to do with his suggestion to the house that I was unfair to maritime members—that if he would look at the script of my remarks he would see that their substance is somewhat different from the story which ran in the newspapers. The main point of my remarks—and they have a relation to the problem which is before us now—was to the effect that the maritime members of parliament are often kept so busy by their constituents chasing constituency matters that they do not have time to work on the larger issues within the national framework which relate to their region. I am delighted that in this particular instance the hon. member for Saint John-Albert has, in a sense, given the lie to that particular interpretation. But, if it is any consolation to him, he will find that in my remarks I made particular reference to him as one of the exceptions.

As to the way in which this inquiry could be carried out, I should like to suggest that this subject is of sufficient importance as to warrant an inquiry of the kind suggested in the motion before us. I am very doubtful about any promise by the Minister of Transport to have it examined by a departmental committee. It seems to me this would really not get anywhere. I should not like to have it examined by a departmental committee because it seems to me we really would not get anywhere. On the other hand, I should not like it to have the status of a full royal commission in the sense that I think this would perhaps blow the matter up beyond an economic analysis and the development of a strictly alternative transportation policy. For that reason we believe this is a good motion and we would hope that the government would consider accepting it. It certainly seems to me that it was presented in the best of spirits and it is worth real consideration.

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I rise on this question eagerly because there is no matter of greater interest to me or, indeed, to the city of Halifax and its economy than the question of the continuing inroads on our port traffic being made not only by winter navigation but also by the St. Lawrence seaway, and the diversion of so much Canadian exports and imports through United States ports to points of destination or from points of origin in Ontario and the west.

I speak in support of the principle of the resolution introduced by the hon. member for Saint John-Albert (Mr. Bell) and I compliment him on his thorough approach and research on the matter. I say that I support the resolution in principle because it is my understanding that the Atlantic development board is already undertaking such an investigation, and I feel that this is the proper board to supervise, if not to carry out, an investigation of this type.

Before going into the question of winter navigation, may I say I regret that the hon. member for Port Arthur (Mr. Fisher) did not consider the (b) part of the resolution of great importance, because I feel that it is. Before confederation was consummated, indeed as far back as 1851, Joseph Howe in his memorable speech at Southampton, as did all other Nova Scotian people contemplating confederation, spoke of the consequences of our port and the ports of Nova Scotia and

New Brunswick generally becoming winter ports for Canada. This was agreed upon as part of the spirit of confederation. Perhaps I will return to that a little later.

I agree with the sentiment expressed by the hon. member for St. James (Mr. Rinfret) when he hopes that our commerce will develop in such a way that the economy of each and every port in Canada will greatly improve; but with all deference to him I cannot agree with the statistics he quotes regarding total tonnage in the ports of Saint John and Halifax. The hon. member quotes tonnage figures for the port of Halifax as being unchanged from 1960 to 1961 and showing a slight increase in 1962. But he has dealt with the question of gross tonnage, and gross tonnage has increased only because of an increase in oil and gypsum products being handled which, while they inflate the total tonnage, provide little in the way of man-hours of employment on the waterfront. I have had occasion to say previously in the house that it is packaged general cargo, the type that the longshoreman has to swing his hook into, which provides employment to labour on the waterfront.

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

Mr. Regan: Certainly.

Mr. Ricard: Does that mean that the hon. member is not in agreement with his colleague from St. James on this subject?

Mr. Regan: If my hon. friend had been listening closely he would have heard me say that I was, with deference, disagreeing.

Mr. Ricard: That is what I wanted you to say.

Mr. Regan: I am very pleased that honest disagreements can at times take place within our party. The problem in the port of Halifax and also in the port of Saint John is that general cargo decreased all during the Tory years in office and during the years of increasing icebreaking activities on the St. Lawrence, and this has resulted in a very serious unemployment situation on our waterfronts.

I think that the question of winter navigation can be approached from two beginnings. First, I do not believe that, economically, winter navigation on the St. Lawrence is a good thing. I do not think it is a good thing at all, but I think that we in the maritimes are broadminded enough to recognize that some increasing measure of winter navigation on the St. Lawrence is inevitable. I say it is not a good thing because let us remember that navigation in the winter on the St. Lawrence does not create any new commerce. It merely takes away trade from the Atlantic ports and transfers it to the St. Lawrence ports, which already enjoy a prosperous summer trade. If you accept the premise that the St. Lawrence ports and port workers are already more prosperous, then surely we must reach the conclusion that the use of government funds to expand winter navigation on the St. Lawrence at the expense of the Atlantic ports is a policy of robbing the poor to help the rich.

Not only has our gross packaged cargo tonnage not increased during the past six years, but at the same time the tonnage in the St. Lawrence ports of Three Rivers, Montreal and so on has increased sharply. The natural growth of our population and of our economy alone should have resulted in some increase in the volume being handled through the Atlantic ports, but this has not been the case.

Having accepted as being to some degree inevitable the proposition that winter navigation will continue to exist, I say that the position of the maritime provinces is that we must have a more realistic freight rate structure so that our ports can compete. This matter was touched on by the hon. member for Saint John-Albert, and I am in wholehearted agreement with him in this respect. After all, much of the freight being imported or exported through maritime ports is hauled by the government-owned railway to or from those ports, and if the railway is not fully utilized it will build up a larger deficit than otherwise. This railway always operates at a deficit, and I cannot see that there is much national wisdom or economic gain from a national point of view in using the St. Lawrence ports as the result of great expenditure of public funds to keep these ports open in the winter, when as a consequence you cause railwaymen to be laid off and the railways to have less revenue and a larger deficit because goods are not being transported by the railway to or from the maritime ports.

I think this last point is more particularly significant inasmuch as we do not have a Canadian merchant marine at the present time. We are therefore left in the position that the money involved in the transporting of goods from central Canada to a point on the ocean equivalent to Halifax or Saint John, and the wages earned by the seamen involved, go outside of the nation and are lost. It goes to foreign owned ships, and the wages go to foreign seamen, whereas if the goods are shipped through Atlantic ports in the wintertime our railways remain more prosperous. This surely is of interest to our nation, and in addition it is Canadians who receive employment.

I suggest, Mr. Speaker, that at the present time under the Maritimes Freight Rates Act,

no subsidies are paid on goods imported or exported through the Atlantic ports. I suggest that we certainly need to undertake a revision of our freight rates structure. If this were done, and if for every dollar spent on icebreaking and allied activities in the St. Lawrence a similar amount were spent by way of subsidies on freight rates, then we would again be in a position to compete. As I have said before, no ship owner in the world will risk a vessel on the St. Lawrence during winter, despite icebreaking activities, if he can ship through the ports of Halifax or Saint John at no extra cost.

Earlier I said that it was part of the agreement under which the maritimes went into confederation that we would have this wintertime business, that we would be the winter ports of Canada. I would remind hon. members on all sides of the house, particularly those from Ontario and Quebec, that when they talk about the spirit of confederation, the undertakings of confederation, they must also remember that the maritimes were given these undertakings.

[*Translation*]

If Quebec wishes to remain faithful to the spirit of the British North America Act, may I remind that province of the reasons and motives that led the maritimes to enter confederation.

[*Text*]

In conclusion, Mr. Speaker, I say that we have not even received the gain in cargo that should have come about as a result of the natural growth in population and the natural growth in commerce. Our package cargo has actually decreased in volume and we have suffered losses in our winter business. They have been made more severe because we have been steadily losing business in the summertime to the St. Lawrence seaway.

I cannot agree that this house should undertake this investigation, because it is being undertaken by the Atlantic development board, the group that can best deal with this matter. Nevertheless I would urge the government to pay strict attention to these investigations and give very serious consideration to a new national freight rate structure. I do not believe this structure should be of the postage stamp type, which would enable anyone to ship commodities from one point in Canada to another at the same charge. However, the system adopted should be a little closer to the postage stamp type of freight toll, and then we in the maritimes would have an opportunity to share in the prosperity of the rest of Canada.

Mr. J. E. Lloyd (Halifax): It was my privilege many years ago, Mr. Speaker, to unite the efforts of the cities of Halifax and Saint John in solving a problem which this house and its ministers had been unable to solve for many years. I refer to the subject of taxation on crown properties. We began with railway properties in Halifax and Saint John, and, following that, we evolved a municipal grants system in Canada.

I am in the fortunate position, Mr. Speaker, of not knowing what happened prior to April 8 and I am not burdened with concern about what I may have said before that date. On the contrary, I am concerned with something of a more vital nature. Until recently I happened to be a member of the port commission of the city of Halifax, while acting also in another official capacity. This brought me into very close touch with the problems of Saint John and Halifax, vis-à-vis the national government and its policies in respect of navigation on the St. Lawrence.

It might be well if I were to recall briefly something of the anatomy of winter navigation which was put together by the port commission some time ago. For many years it was customary for practically all movements on the river to cease some time early in December, until some time about the middle of April. This was known as the closed as opposed to the open season. During the closed season the only exception to the general paralysis seems to have been the cross-river ferries, the flood control operations of the icebreakers working from the Quebec bridge to above Three Rivers, and a small commercial movement from Pointe au Pic where, if the winds were right, there was usually sufficient open water for coasting vessels to serve north shore points to the east which had no other transportation or connection with the outside world.

During this period between December and April the St. Lawrence river, in so far as export and import cargoes were concerned, was closed. Such cargoes between Canada and other countries were loaded and discharged at Halifax or Saint John. It cannot be over-emphasized that it was upon this condition that the major portion of the business of the Atlantic ports was based. Indeed, it was in part on this condition that the arguments for the maritime provinces to enter confederation were based and were accepted, as my colleague so well pointed out a few moments ago. This house frequently hears references to constitutional obligations under confederation. We have our obligations to which we are asking this house, from time to time, to have a sense of responsibility. I would hope that we could all forgo them. We would be willing to forgo them if there were new ways of doing things and

better understanding between the peoples of this great nation. When we hear this talk about constitutional rights, we must remind people that we have them too. Indeed, all parts of Canada have them.

We, in the maritimes, believe it is a good thing to look at the problems of the other fellow through his eyes from time to time. We think that this is a practice that might be observed occasionally in this house, and indeed throughout other parts of Canada. It might bear benefits to all the Canadian people. I mentioned earlier the anatomy of shipping policy, but we now find that certain changes have occurred. We find that flood control operations have extended to the lower shore, with its natural resources. We do not criticize that whatever. We see this gradual increase in icebreaking services up the river. We recognize this is a national development; but we also know that none of those costs are being included in the charges against ship users. This is a public service. This is not economically sound.

One result of the increased federal government subsidies and services to open up a new route of transportation has been to destroy our competitive position. We say, therefore, the Canadian government definitely has an obligation to correct this growing imbalance in our competitive position.

I may say, Mr. Speaker, perhaps some people do not realize the extent to which the Atlantic development board has already gone in recognizing the plea for action on this matter.

Mr. Pigeon: Come to our side.

Mr. Lloyd: The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) is making some suggestion, as he has done quite frequently. I would be glad to answer him when the opportunity presents itself, but right now we have more important business to deal with.

Briefly the situation is that you have a conflict of interests in the Atlantic provinces with the sincere and well-motivated interests of the people along the St. Lawrence river, and you can only resolve such a conflict of interests in the light of the most exacting study of the justification of the claims of both. It cannot be resolved by a debate across the floor of the House of Commons.

This problem confronted the former minister of transport in the same way as it now confronts the present minister, and it cannot be solved in any way other than within the principle of a scheme of organization such as that proposed by the hon. member for Saint John-Albert (Mr. Bell). However, I think it must be recognized that the Atlantic development board now has the staff and skill to do the essential research work that is basic to an intelligent decision regarding the kind of policy that must ensue, and that will work in the mutual interests of both areas.

I understand the board has two gentlemen who are skilled in these fields and who would be able to define the nature and scope of the problem. Having defined the nature and scope of it, the board will then be able to get people together who are not biased in favour of either the Atlantic ports or the St. Lawrence ports, and who will be able to make an objective examination of this critical problem.

To some people, on the face of it winter navigation is sheer economic nonsense. Some have gone so far as to say that; but on the other hand there are those along the St. Lawrence who say the economic development of Canada demands the maximum utilization of this great seaway. We feel, however, that the case has not yet been fully justified by those who support the St. Lawrence development.

I believe that the principle and objectivity sought by the hon. member for Saint John-Albert can be assured by the steps now taken by the Atlantic development board in putting together personnel on a team who will view the problem objectively, report to the minister, and through him to the house. In that way we can achieve a realistic policy that will be in the interests of both areas.

[*Translation*]

Mr. Jean-Charles Cantin (Quebec South): Mr. Speaker, we heard many views exchanged this afternoon on that ever ticklish matter of winter navigation. As far as I am concerned, you know where I stand; I represent the Quebec South riding. You know how much this matter of winter navigation was discussed in Quebec these last few years. This afternoon, I would not want anyone to think that I am speaking in any capacity other than that of hon. member for Quebec South.

Having heard the version given in this house by the hon. members from the maritimes, I think the question should be first considered in its constitutional context and then in its economic aspect.

I think and I agree with my hon. friends that the matter, in its constitutional context, must be discussed with the same objectivity as any other matter concerning the constitution of our country. When we talk about reshaping our constitution, I think we will have to take into consideration the examples given this afternoon.

Now, as far as the economic aspect is concerned, the solution advocated by this government is to charge the new Atlantic

economic council with the requested investigation. I think that council will have in its hands all the tools, all the required information and will get in contact with every profession and every person interested in this great problem. I am sure that on the basis of their investigation we can get very happy results.

Of course, at the time the maritimes entered confederation, it must be recognized that we had transportation systems other than those in use today. Transportation is improving every day and we must reconsider our transportation system, not at the expense of some people but to the advantage of all.

In that particular field, I was reading, a few weeks ago, that the United States are presently considering the feasibility of keeping the St. Lawrence seaway open 12 months a year.

If, thanks to modern technology, we find ways and means to improve navigation and expand its volume, I feel that we might then draw the blueprint for a new policy which would not discriminate against anyone, but would be to the general advantage.

Mr. Speaker, I am confident that through an exchange of objective viewpoints, and with the necessary good will on every part, we shall be able to find in this country of ours a place for everyone, and that all Canadians will benefit thereby.

Mr. Deputy Speaker: The hour appointed for consideration of private members' business has now expired.

[*Text*]

May I remind hon. members that at eight o'clock we will resume the business interrupted at five o'clock. It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

TRANS-CANADA AIR LINES

WINNIPEG—TRANSFER OF OVERHAUL AND MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Acting Prime Minister. Could he tell us whether he knows how much longer we will have to wait for a statement on the retention of the T.C.A. maintenance and overhaul base at Winnipeg?

[Mr. Cantin.]

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I understand from the statement which was made last week by the Minister of Transport that he will be in a position soon to make the statement that the hon. member desires.

Mr. Knowles: That is what he said last week.

[*Later:*]

Mr. Knowles: Mr. Speaker, I wonder if the Minister of Transport would now answer the question I put to the Acting Prime Minister before the Minister of Transport came in. I asked when we might expect a statement, which for several days now has been promised soon, with regard to the retention of the T.C.A. maintenance and overhaul base at Winnipeg.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, there is nothing I can add to my answer of Friday last.

OLD AGE ASSISTANCE

INQUIRY AS TO INCREASE IN TAXATION

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I have a question for the Minister of National Health and Welfare. Could the hon. lady tell the house whether it is absolutely necessary to take money away from some people by means of a tax increase in order to provide better living conditions for the aged, that is to give them $10 more a month?

[*Text*]

NATIONAL MUSEUM

REQUEST FOR STATEMENT ON REPORTED RESIGNATIONS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the minister responsible for the national museum whether he would consider informing the house in the next day or two of the situation regarding the resignations at the museum, or the rumours of resignations, and giving some explanation as to what may be involved in the matter.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Yes, Your Honour, I would be glad to make a statement in the course of the next several days. There have been a number of resignations, which I regret as much as, I am sure, my hon. friend does. I hope to be able to make a statement in a few days.

TRADE

INQUIRY AS TO MEASURES TO REDUCE DEFICIT

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, I should like to direct a question to the Minister of Finance. Has the minister succeeded in convincing the automobile industry, which is under American control, to undertake a vast development program in Canada as he stated he would do at the close of the meeting of the international monetary fund? If not, what other steps are being considered by the government to reduce our trade deficit?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the government's policies in this and other matters will be announced in due course. I am afraid this is not the time to do it.

LABOUR CONDITIONS

TORONTO—REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question of which I have given notice is addressed to the Minister of Labour. In view of the urgent representations made by the board of control of the city of Toronto, has the minister given consideration to extending the period of the winter works program by commencing it on October 15 and concluding it at the end of May, as requested by the board of control of Toronto?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I thank my hon. friend for giving me notice of this question. I would like to take some further notice before answering it.

HOUSING

FRASERVIEW PROJECT, VANCOUVER—REQUEST FOR REVIEW OF ADMINISTRATION

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, I have a question for the Minister of National Revenue. Has the minister received a brief from the Fraserview veterans home owners and tenants association requesting a review of the administration of the Fraserview housing project in Vancouver? If so, what action is contemplated?

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, I would like to thank the hon. member for giving me notice of his intention to ask this question. In April of this year Central Mortgage and Housing Corporation received a brief from a committee of purchasers of veterans homes in the Fraserview subdivision. The petition recommended that the market values of houses be reexamined to determine whether any of the houses were overpriced in relation to the current market; that the $1,000 rebate arrangement be removed and that all possible steps be taken to change the project from a rental project to home ownership. The corporation immediately caused a study to be made. Based on this study the corporation recommended, and I agreed, that:

(a) The $1,000 rebate arrangement be cancelled.

(b) The net sale price of 137 unsold basementless houses be reduced by a further $600.

(c) That monthly rentals be increased from $3.50 to $11 per unit per month to eliminate the existing operating deficit only. On August 27 the proposed rental increases were deferred as a result of a telegram received from a newly formed Fraserview veterans ratepayers and tenants association. The matter is being further studied and a decision on the rentals will be made shortly.

INQUIRY AS TO RESEARCH GRANT

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to put a question to the Minister of National Revenue. Since the government agreed to pay a $78,000 grant to the Canadian council on housing research and community planning, under the National Housing Act, did it reserve the right to check on the manner in which this amount is or will be spent?

[*Text*]

Hon. J. R. Garland (Minister of National Revenue): Yes, Mr. Speaker.

FINANCE

REPORTED U.S. ACQUISITION OF CANADIAN BANK STOCK

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to put a question to the Minister of Finance. What action does the Minister of Finance intend to take in order to prevent further attempts by American interests to control Canadian business, more particularly following the recent take-over of the Mercantile Bank of Canada by the Rockefeller interests?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, as far as I know there is no law which prevents anybody from acquiring the shares of any bank in Canada. In fact I can say there is no such law. Until the Bank Act comes up for revision I think it would be unwise to speculate further about this subject.

UNITED NATIONS

SOUTH VIET NAM—CANADIAN POSITION ON HUMAN RIGHTS RESOLUTION

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs. In view of the fact that a resolution was introduced in the United Nations today by Ceylon on behalf of 16 African, Asian and Latin American delegations charging that human rights are being violated in South Viet Nam, would the minister inform the house whether Canada intends to support this resolution and express its opposition to the policy of oppression and torture of Buddhists and others by the government of Viet Nam?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I am sure that no one in this country will support any policy of oppression against any religious group. To the extent that this problem is one within the jurisdiction of any individual country, my hon. friend may be sure that Canada will assert its position as it should in the light of any obligations it has as a member of the United Nations.

This resolution is being studied at the present time in accord with the assessment that is being made by the representative of Canada in Viet Nam. Canada is a member of the international supervisory commission in Viet Nam, and is expected to maintain a rather objective position in the interests of Viet Nam itself. With this consideration in mind, however, we are giving the resolution in question the most careful examination.

Mr. Herridge: All I wanted to know was whether Canada intended to support the resolution.

INDUSTRY

NOVA SCOTIA—ESTABLISHMENT OF HEAVY WATER PLANT

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in view of only having returned from Nova Scotia some two hours ago I would like to ask the Acting Prime Minister whether the information circulating in Nova Scotia is correct, to the effect that the government has agreed that there shall be established a heavy water installation in Cape Breton on a five year guarantee of the sale of its product.

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, my understanding is that the information that the hon. member has is not factual. The matter is under consideration.

PUBLIC WORKS

GASPE—REQUEST FOR GOVERNMENT PROGRAM

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of Public Works. During a recent trip the minister made in the Gaspe peninsula, he spoke of huge public works projects undertaken or to be undertaken by the federal government to further the development of that area. Could the minister inform the house of the projects he has in mind to help regions now in a state of stagnation, particularly the Lake St. John area?

Hon. Jean Paul Deschatelets (Minister of Public Works): Mr. Speaker, the purpose of my visit to the lower St. Lawrence valley and the Gaspe peninsula was precisely to get first hand information about the problems there. I can assure my hon. friend that, on my return, I told my colleagues about those problems. We have several projects but, as they are government projects, they will be announced in due course.

CANADIAN NATIONAL RAILWAYS

OTTAWA-MONTREAL—LACK OF BILINGUAL PERSONNEL

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I wish to direct a question to the Minister of Transport. Following a trip between Ottawa and Montreal, on the Canadian National Railways, with the hon. member for Îles-de-la-Madeleine and the hon. member for Richmond, we found that the train crew could not speak French, and that on the Ottawa-Montreal run. Can the Minister of Transport tell us if the president of the C.N.R. has really undertaken to improve bilingualism aboard C.N.R. trains?

[*Text*]

DEFENCE PRODUCTION

CARIBOU AIRCRAFT—REQUEST FOR STATEMENT ON U.S. PURCHASES

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I would like to direct a question to

the Minister of Defence Production. Does he intend to make any representations to the United States government concerning the apparent decision of that government not to buy any more Caribou aircraft from Canada?

Hon. C. M. Drury (Minister of Defence Production): Mr. Speaker, the events of the past couple of days in Washington have in fact resulted in a decision by the congress of the United States to reduce the appropriations for the coming year for the United States army. While this reduction has been directly related by certain members of the United States press to a reduction in orders for Canadian aircraft, in fact such a direct relationship is not the case. My department has been in continuous communication with the U.S. defence department to do what it can to ensure that the orders already placed are not cancelled.

NATIONAL DEFENCE

VAL D'OR, QUE.—REPORTED CONSTRUCTION OF NUCLEAR STORAGE

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Would the minister confirm to the house the announcement made recently to the effect that a nuclear heads depot would be built in the city of Val d'Or, in the riding of Villeneuve?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I understand that the question is on the order paper.

REQUEST FOR APPEARANCE OF MINISTER BEFORE COMMITTEE

On the orders of the day:

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, in the absence of the Prime Minister and of the Secretary of State for External Affairs I should like to direct a question to the Minister of National Defence. In view of the speech made by the Prime Minister at the United Nations and in view of certain declarations made by himself, would the Minister of National Defence now be prepared to appear before the defence committee of this House of Commons to relate these various speeches and outline how the committee can function in respect thereto?

Hon. Paul Hellyer (Minister of National Defence): As I indicated to the house on a previous occasion, I am prepared to appear as a witness before that committee at any time the committee deems it would be helpful.

Inquiries of the Ministry

LABOUR RELATIONS

GREAT LAKES—REQUEST FOR STATEMENT ON UNION POSITION

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, I would have liked to put a question to the Prime Minister, but in his absence, may I direct my question to the Minister of Justice. Could the minister bring the house up to date on the latest development between the unions in the great lakes labour dispute? If not, when will a report be forthcoming?

[*Text*]

HOUSE OF COMMONS

EXPENSE ALLOWANCES OF MEMBERS AND SENATORS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I asked the Minister of Finance a question on October 3 in regard to whether parliamentary expense allowances were being paid both in the other place and in this house according to the law, and he promised me an answer as soon as he had the information.

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I am grateful to my hon. friend for raising this interesting point. I should explain that under the recent amendment the expense allowances are paid quarterly, whereas previously they were paid on an annual basis. In connection with the Senate allowances, the chief treasury officer, after consultation with the Clerk of the Senate and on his advice, was of the opinion that the recent amendment permitted the payment of the residual portion of the smaller allowance of $2,000 per annum which applied from January 1 to April 7 to be paid on September 30; that is, at the end of the quarter. The chief treasury officer for the House of Commons, on the other hand, was of the opinion that the amendment to the Senate and House of Commons Act did not affect the operation of the former provision in so far as the period from January 1 to April 7 was concerned. He accordingly declined to make payment of the allowances for that period before the end of the year.

Section 31(6) of the Financial Administration Act provides that where the comptroller is of the opinion that a doubt exists as to the legality or otherwise of a proposed charge to an appropriation provided for the expenses of the Senate or the House of Commons, he shall report through the Minister of Finance to the appropriate minister, who shall obtain a decision in accordance with such procedure as may from time to time

be prescribed. It is my understanding that this would be the internal economy committees of the respective chambers.

As there is in the opinion of the comptroller a doubt existing as to whether these allowances may or may not be paid at the present time for the period January 1 to April 7, this matter is being drawn to the attention of the Speakers of the House of Commons and of the Senate. I have written to them and suggested that they get together and obtain legal advice, and perhaps we may straighten out the point which the hon. member was so kind as to bring to my attention.

SUPPLY

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

INTERIM SUPPLY

Resolved, that a sum not exceeding $747,449,955.03, being the aggregate of—

(a) two twelfths of the total of the amounts of the items set forth in the main estimates for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except fisheries item 45, northern affairs and national resources item 10 and public works items 20 and 190 for which the proportion is one twelfth and except atomic energy item 5, external affairs item 107 and loans, investments and advances item L20 for which no proportion is requested, $640,449,276.00;

(b) an additional three twelfths of the amount of transport item 35, $820,000.00;

(c) an additional two twelfths of the amount of agriculture item 50, $178,833.34;

(d) an additional one twelfth of the amounts of agriculture items 25, 100 and 145, citizenship and immigration item 30, transport item 10, of the said estimates, $3,583,608.34;

(e) two twelfths of the total of the amounts of the items set forth in the supplementary estimates (A) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, except external affairs item 96a, finance item 5a, northern affairs and national resources item 110a, and loans, investments and advances items L13a and L63a, $48,103,070.00;

(f) an additional three twelfths of the amount of external affairs item 117a, $84,240.00;

(g) an additional two twelfths of the amount of external affairs item 116a, $230,800.00;

(h) two twelfths of the amount of the item set forth in the supplementary estimates (B) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $1,166,666.67;

(i) two twelfths of the amount of the item set forth in the supplementary estimates (C) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $3,333,333.34;

(j) eight twelfths of the amounts of the items set forth in the supplementary estimates (D) for the fiscal year ending March 31, 1964, laid before the House of Commons at the present session of parliament, $49,444,457.34;

(k) an additional three twelfths of the amount of external affairs item 117d, $5,670.00;

be granted to Her Majesty on account of the fiscal year ending March 31, 1964.

[Mr. Gordon.]

[*Translation*]

Mr. Laprise: Mr. Chairman, since the committee on privileges and elections is supposed to sit tonight, I do not intend to speak at great length on interim supply.

If I take part in the debate tonight, it is not because we merely want to kill time, as was suggested these last few days. Such is not the case at all. I have some facts to bring to the attention of the house which mainly concern my riding, and I take the opportunity of this interim supply motion to point out to the house some of the facts that clearly show to what extent the present administration and the previous one have placed the country in an untenable position. Besides, the present government is aware of it now. As a matter of fact, one realizes it readily to see the government act.

Even though Canada is a very rich country with a very high production and producing capacity, our people have great needs, as evidenced by the large number of depressed areas, such as my own riding of Abitibi in northwestern Quebec.

[*Text*]

The Chairman: Order. May I suggest to hon. members that their conversations in the house make it extremely difficult for other members, including the chairman, to follow the speech now being made by the hon. member for Chapleau?

[*Translation*]

Mr. Laprise: Thank you, Mr. Chairman.

The government is slow in answering the plea of the people for the right to benefit from the wealth which now exists. That only goes to show that the Liberal party was not ready to take over last April. Ready to levy taxes, yes, but not to administer the country.

Tax increases lead us to believe that the government is concerned about the annual deficits which are reaching astronomical proportions, and the people of this country as well as its business and industrial leaders are also worried about them.

The government is aware of present needs, but its actions are paralysed by a lack of funds. Taxes do not bring in enough money to balance the budget, and the government knows how unpopular taxes are. That is surely why the government and especially the Department of National Revenue, since last spring in particular, have been constantly pestering the taxpayers in my riding.

As a matter of fact, since last spring, income tax inspectors from the Rouyn district office have not stopped making cuts on the receipts for charitable donations contained in the income tax returns of certain people. I

say certain people because there is apparently some discrimination in some working-class areas of my constituency.

Indeed, while in some cases receipts for charitable donations are being cut from $372 to $150 without reason, letters are written to the Rouyn office, information is sought to find out where, when and how the investigations were made. And in this regard, last June 5, I received the following reply from the office of the director of income tax:

> We can assure you that we have not reduced the amounts specified for charitable donations without prior investigation.

I asked again where and when those investigations had been made and by whom. Here is the reply I got on August 27, 1963, from the chief assessment officer in the district income tax office:

> We draw your attention to the fact that in the case under consideration, under section 133 (1) of the Income Tax Act, the employees of the division are not authorized to give information to a third party.

Mr. Chairman, that third party was the member for Chapleau who wanted to know where and when the investigations mentioned had been made, and it seems there is no way of finding that out, but it still holds true just the same that some workers, some miners see their receipts for charitable donations cut while other miners, other workers, who have practically the same revenue, the same salary and the same dependants, see their income tax return and their receipts for charitable donations accepted in full.

Consequently, it makes one wonder if there is not some kind of patronage granted to some taxpayers, and people are wondering in my riding if that is not a kind of punishment for some.

Mr. Chairman, I protest against the action taken by inspectors of the income tax office in Rouyn and I ask the Minister of National Revenue (Mr. Garland) to put a stop to that situation and to find, with the Minister of Finance (Mr. Gordon), another way to finance government operations. I urge him to study carefully the suggestions made by the Social Credit party and to give back to the Bank of Canada the role it must play in our country's economy. Mr. Chairman, I want to talk about another matter in this chamber, that is television.

National radio and television is not available in all parts of my riding. I know that Chapleau is a sprawling riding, but I am also aware that it is relatively easy to bring radio and television services everywhere. I do not think that there is some insurmountable physical obstacle. In fact, private industry has managed to make television broadcasts available in the towns of Chibougamau and Chapais but at an exorbitant cost. Consequently, physical obstacles are not insurmountable since private industry did it. Thus it is only a matter of financial limitations which prevent the broadcasting of radio and television programs.

In this regard, I should like to refer to a case which is typical of the mining area of Chibougamau and Chapais, where some 2,000 families must pay $200 for the television cable and $6 a month payable a year in advance, that is a total sum of $272 before enjoying T.V. services that the majority of Canadians in other sections of the country enjoy free of charge. And yet the miners from Chibougamau and Chapais pay taxes and they may be the highest per capita in the country.

The Minister of Finance should make available to C.B.C. a larger budget so that it may satisfy the wishes of the citizens from those communities, such as Parent and Clova, which are scattered along the C.N.R. tracks or, in the meantime, he should grant the corporation some funds so that the rental of the television cable may be reduced and the poor as well as the rich in the towns of Chibougamau and Chapais may enjoy television broadcasts.

At the present time, the mining area of Chibougamau and Chapais is served for television purposes through Saguenay-Lake St. John. And yet, this mining area is actually in the political riding of Chapleau. I am of the opinion that it is irregular to give television service through an area not politically connected with the area to be served. The same thing was done for the railway service. A railroad was started in direction of the Lake St. John area.

Again, when time came to build a road for cars and trucks, a dirt road, the same thing was done; the Saguenay-Lake St. John was the first to be served.

Mr. Chairman, please note that I am not at all jealous of the fact that the Saguenay-Lake St. John was the first to be connected to this mining area, but I find it quite strange that, in order to develop an area, the first thing done is to provide exits to another area.

Consequently, I urge the C.B.C. to take immediately the necessary steps to give the citizens of Chibougamau and Chapais radio and television services at a price comparable to other parts of the country.

Mr. Chairman, people complain about unemployment which has been prevailing for a long time in our area and which not only reduces and cripples trade and industry but also brings about undeserved poverty and concern in many families thereby affected.

And yet, those numerous families suffer from privation, not because we lack things

in this country, but rather because they need things that exist. And if those needs are not satisfied, it is rather due to the fact that they lack purchasing power.

Mr. Chairman, when we see the advertising which is done now to sell things, to sell goods produced by Canadians, we may ask why, in a country known as the richest in the world, it is still necessary to collect old clothes to dress poor children who want to go to school in some areas called "underdeveloped" or "emergency areas".

And concerning that matter, I want to speak about Chapleau county, in Abitibi, which is designated as such an area at the present time, amid plenty and surpluses. In fact, people there are still in that condition where they have to collect old clothes to enable children to attend school, in order to take advantage of the opportunity to get an education which they need.

Mr. Chairman, in order to enable those citizens to get the things offered to them in quantity in all ways, and in quality, the government should use the Bank of Canada to coin production and services offered in surpluses, and distribute them, in the form of dividends, to all Canadian citizens, because everyone, in one way or another, has taken part in the production of goods and services in this country.

Mr. Chairman, the Canadian government should not be so mean when it comes to paying a retirement pension to our senior citizens, and I am of the opinion that the present retirement pension should begin immediately at 65 years, without any test, and at 60 for people without any resources.

Mr. Chairman, I cannot see why those in need would not be able to benefit from the production and resources of this country without taking anything away from the people who work, or depriving others from part of their income.

Mr. Chairman, I maintain that old age pensions, retirement pensions, old age assistance pensions, pensions for the blind or the disabled, family allowances, and all similar social welfare measures, should be financed by the Bank of Canada. The necessary funds could be drawn from the production surplus we accumulate year after year, that is, the unsold surpluses.

We must allow the Bank of Canada to play the part it was created to play, and it behooves the government to instruct it to play that part.

Mr. Dionne: To date, Mr. Chairman, my interventions in the discussion never contributed at all to any inconvenience for the Chair and, therefore, I can sum up my remarks in compliance with the traditional procedures.

[Mr. Laprise.]

Congratulations to those who carry out those functions; they do it in all fairness and with a sense of responsibility which is all to their credit.

Mr. Chairman, as a representative for a riding which made a tremendous contribution to the development of several neighbouring areas through many sacrifices, during a few centuries of history, I should like to take this opportunity now offered to me to call the attention of the house to the need to adopt an attitude more consistent with the needs and the purposes of the people in our region and of all Canadians in general who showed, by their labour and their sense of sacrifice that the sources of courage, of good will and of generous dispositions are far from exhausted so long as they are given a chance through legislation which allows for a reasonable proportion of economic realities.

All Canadians still wish to participate in the development of their country. To be effective, that participation must involve the essential elements of security and of proper freedom for one and all.

The implementation, as soon as possible, of appropriate public works in order to alleviate unemployment in our region is absolutely necessary and would be greatly appreciated. The decisions taken by the government to designate the so-called distressed areas will have to be altered to take into account the needs of our region.

During the month of September, in the course of a regular meeting of the municipal corporation of Kamouraska county, in which nearly all the mayors of the municipalities in the county took part, a resolution was passed and a copy thereof was forwarded to the Minister of Industry (Mr. Drury) and his colleague, the Minister of Labour (Mr. MacEachen), asking them to include the county of Kamouraska in the list of those which can benefit from a federal grant for unemployment works and from a tax cut for industries wishing to settle in the county.

During the last week of the month of September, the members of the chamber of commerce of St. Pascal, Kamouraska county, of which I am a member, also adopted a similar resolution. I hope the ministers will take those requests into consideration and that appropriate decisions will be taken so that the county of Kamouraska will get from this government the share of benefits it can rightfully expect.

Quite a number of these plans could be carried into effect without delay; some studies have been completed, various programs have been referred to the authorities several years ago, but their implementation

often seems to be paralysed through a lack of agreement and co-operation between the central and provincial governments.

We hope that the necessary decisions will be arrived at as soon as possible by the responsible authorities, for in Kamouraska and elsewhere, people have had enough of all these discussions and, quite naturally, expect action.

The same thing applies to the implementation of the ARDA program, and to the generous distribution of subsidies to farmers. It is true that Kamouraska county is not included among the depressed areas, but let us not forget that due to the prevailing economic conditions more than 30 per cent of our citizens depend on social welfare services for their livelihood.

The constant worry created by a financial system which functions contrary to present economic realities has led us to a way of life which is truly upside-down.

Too many are those who are attracted by the moon while entire families still have to go without the necessities of life. We no longer have enough room in our jails for criminals, most of whom have taken to that kind of life because of a lack of guidance. Not only is society responsible for that state of affairs but it must take the necessary steps as soon as possible to correct a situation it contributed to create.

It is a shame that in a country as young as ours, the need for policemen is such that the taxpayers' money has to be used to secure enough candidates to fill the vacancies. We all know that police duty involves great responsibilities. It is most unfortunate that many policemen fall in line of duty.

I do not hesitate to say that unemployment and the demoralizing insecurity which have been prevailing for too long are greatly responsible for what is happening.

Has a second thought been given to the feeling of fathers who can barely make both ends meet with incomes of $1,000, $1,500 or $2,000 a year, to the feelings of those who, in their sickness, must accept the restrictions imposed by social service officials regarding their own subsistence and that of their families, and even worse, to the feelings of the unemployed? There are thousands of them, as everybody knows, who live in constant fear.

What was their reaction when they saw that legislators were looking after their own interests instead of settling urgent problems such as unemployment, family allowance increases, boosts in old age pensions and in pensions to veterans who, more than any others, have given their all for the survival of democracy, for which their countrymen should have been ever grateful. I could continue enumerating quite a number of undeserved cases of destitution. Have we considered those unsettled cases before granting ourselves an increase of indemnities?

It is unfortunate, but such actions contribute to increase dissatisfaction among the people. Canadian citizens are always ready to pay their administrators handsomely, as long as they do not forget to give them in the first place the necessary means to earn a decent living.

Let us compare the imbalance between the increasing rise of salaries of the average Canadian heads of families and the unchanged rates of family allowances.

Allow me to point out, by the way, that the cost of living for all Canadian families is increasing. Nevertheless, family allowances which were established in 1944 at $5, $6, $7 and $8 per month were only increased once, such an increase averaging about 35 cents, to the minimum being raised to $6 up to 10 years of age and $8 from 10 to 16 years of age, while the maximum of $8 was never altered.

During the same period the salaries of members of parliament have passed from $4,000 in 1944 to $6,000 in 1945, and from $10,000 in 1954 to $18,000 in 1963. From $4,000 to $18,000, which means four and a half times what they were in 1944. By adjusting family allowances on the same basis, we would reach an average of $30 a month.

If hon. ministers and members had been consistent they would be ashamed of having adjourned the session and taken holidays before raising the present level of family allowances. It is yet time to make a gesture to that effect, and it is clear that the increase in the cost of living calls for such an adjustment.

And what about those irregularities with regard to pension adjustments for veterans, considering that, after five or six years of war those ailments from which the veterans are suffering today are certainly, to a great extent, due to their military service for Canada. There are some revolting cases of discrimination with regard to some veterans who have given the best of themselves to ensure what little freedom Canadians still have today.

Now what about the problems of Canadian workers on American territory who have been waiting for 20 years for a settlement enabling them to benefit from unemployment insurance payments? What about all those railway maintenance workers, more particularly on temporary teams, where salary increases are in a proportion of 1, 2, and 3 cents an hour, considering that they have to use bunk beds to rest after a ten-hour working

day. Labour unions succeeded, as we know, after ten years of negotiations and pressure in having legislation passed by the Quebec government prohibiting the use of bunk beds for bush workers. Now, how does it happen that a corporation like the Canadian National Railways, whose president is paid $75,000 a year and certainly has all the comfort he needs, did not think of a better distribution of salaries for the working teams, granting them a little more comfort with regard to living conditions and housing.

There is blatant discrimination with regard to temporary team employees, those who are only entitled to one day's holiday a month, which is paid on an eight-hour day basis, whereas they are regularly working on a ten-hour day basis.

All those errors accrued in various quarters and administrative services, are not likely to create an atmosphere of good will and understanding among our people.

Exaggerated expenses of all sorts, in anticipation of so-called defence schemes, are not likely to give Canadian citizens a feeling of security.

Sometimes, you get the feeling that the next war will be caused by the disarmament question.

It is, nevertheless, odd to see the friendliness between Canadian and American leaders when it comes to agreeing on such programs, whereas it seems impossible to solve the problem of having Canadian workers on American territory share in the benefits of the Unemployment Insurance Act.

One more word about the budget. Why, there again, does the government not pay greater attention to the thousands of letters and claims dealing with the 11 per cent tax on building materials, which affects so many people? The workers, builders and saw-mill owners have all been upset by the contents of the last budget and protest has been raised everywhere in order to convince the Minister of Finance of the extent to which the building industry in all fields will be affected. The remedies brought in afterwards, at the beginning of July, are, to our mind, quite inadequate and leave the working class, and mainly the workers in the building trade and lumber industry who are still so cruelly suffering from unemployment, with the added burden of a tax which we find not only unjustified but impossible to justify.

It would be worthwhile, I believe, if all the solution seekers looked seriously beyond the ordinary economic routines and outside the beaten track, because wherever we look at present all the citizens admit that a monetary system, whichever it may be, must be guided by a bookkeeping system. Everybody will agree that the first quality of a bookkeeping system should be accuracy; the solution of any problem, to be correct, must demonstrate that the computation has been properly done.

If we consider the results of the present monetary system, we find easily that the volume of credit put into circulation under the form of numbers is not at all in keeping with the goods for sale or, if you prefer, is not at all proportional to the production to be disposed of.

The main source of worry for Canadians is the fact that we pay more attention to the "symbol" than to "reality": yet, the human being is more important than the dollar sign.

We are able to produce too much, but unable to allocate sufficiently.

Good sense should lead our legislators to admit, not only in principle but also in practice, the fact that what is physically possible must be possible financially, that it is possible to adapt our bookkeeping system to the needs and wants.

It is necessary that we should get used to thinking in terms of thousands of useful things instead of thinking in terms of millions of dollars.

Whatever is said about it, I declare that the present system is unable to cope with the burden which is imposed on it, that it is imperative that other means, another economic and financial system be devised.

In my opinion, the duty which devolves upon us at the present time is to work out for Canada of tomorrow a system capable of ensuring a standard of justice according to which the interests of human beings may have precedence over financial interests.

We know that consumption is the object of production. That it would be useless to make shoes if people were not to wear them. That houses have no value whatsoever unless people live in them. That food will perish unless it is consumed.

We also know that all these things can be produced in unlimited quantities. Nevertheless, it seems that our legislators, for this or that reason, do not believe that man can have them.

Imaginary obstacles bar their way: they are remains of the periods of scarcity when it was claimed that there was "no money". We keep up with the times as far as knowledge is concerned, but our beliefs belong to the past. Thus, we go from bad to worse like a boat equipped with a powerful motor that flounders on reefs because its pilot has no faith in the compass.

Now we benefit from the results of thousands of years of learning, discoveries and inventions, but we lack self-confidence to put them to use.

Lack of confidence paralyses our action, and instead of using our plentiful resources, we always have shortages. Any progress, scientific discovery and invention originate in the human mind.

It is first an idea and then it becomes an actual fact when man is convinced that its realization is possible and that he is capable of bringing it into being.

America would never have been discovered if Christopher Columbus had not thought it possible to reach land by sailing westward.

Lindbergh would not have succeeded in crossing the ocean if he had lacked self-confidence.

It is not fear that has prompted our missionary settlers to venture into remote countries and the coureurs des bois to explore the far reaches of the forest.

Many thinkers and inventors were ridiculed by the so-called scholars of their times. However, Pasteur was acknowledged as a benefactor of humanity and everybody realized with Galileo that the earth revolves around the sun.

Mr. Gauthier: Mr. Chairman, I will be short because I know that you do not want to spend the night here. The Secretary of State (Mr. Pickersgill) expressed good intentions this afternoon and we congratulate him for that.

However, I would like to point out two or three developments in my constituency.

If we seem to be the only ones to take the floor in this house, it may be because events force us to do so. We are the last ones to have the floor. We have the last rank and we are the last to express our views. I regret that my party seems to be lagging behind the others, but I have every confidence that the Secretary of State will remedy that within an hour or two.

We are asked to vote money to enable the government to make the necessary expenditures for its good or bad administration, for the implementation of the good and the mediocre legislation.

If you bear with me, I will examine some of that legislation. For instance, let us talk about the unemployment insurance and the winter works program. The Unemployment Insurance Act is certainly not perfect since the government has deemed it appropriate to launch an investigation on the subject. The unemployed will wait a long time for this report to be considered before recommendations are implemented. The unemployed will wait with anxiety for the amendments to the act.

Mr. Chairman, I very much fear that the inquiry commission on unemployment will not be any more fruitful than the commissions created up to date. It will be a good opportunity for the party in office to give new life to its defeated candidates or to reward those who worked hard in the last election.

I was told that the commissioners are getting a mere $100 per day. It is obvious that with such a low salary the investigation will be twice as long, because the important part is not the investigation itself, but the volume a few hundred pages thick, it will produce or some millions of dollars it will cost the taxpayers.

However, this is advantageous in many ways for the government. First, it gags the member who is accused of being the cause of the undue delay in the said investigation because of his claims. Then, it is the best escape for the cabinet. As a matter of fact, all through this investigation, the minister only has to answer that it is under way and if questions are increasing, the reply will be that the investigation is continuing. If the questions become persistent, the minister himself will remind us that the important investigators are putting the final touches to their document.

And when the investigation is over and the report is published, a process of two or three years, then the government will at last —unless there is an election—start considering the report, which will last a long time. If an election is brought about by the intolerable inactivity of the government, the winning side will wonder whether the report is not obsolete or—what is more usual—it will be said that the report was badly prepared, since anything the previous administration did could only be bad.

I have no doubt that this is the fate that will befall the Gill report. The investigation cost thousands of dollars. No matter, the people are paying. And the same game continues and the people keep hoping for better days.

I want to take this opportunity, Mr. Chairman, to show the house the serious specific needs of my constituency of Roberval.

In my riding, strange things are happening and I would like the government to seriously investigate in order to find ways to stop some of them. The federal civil service will be the screen used to cover up some appointments, but everybody sees through that kind of thing. The manager was appointed judge in all cases that can be easily rejected at the local office; if there are any complications, they go to arbitration and the joke is all the better.

The insured is told that his case has been submitted to the head office in Montreal. I wonder what poor little employees in Mont-

real, who know nothing beyond the ground floor of the tax office could possibly know about the situation of an unemployed worker in Dolbeau or St. Felicien.

Mind you, I have nothing against the employees, because they are the helpless victims of the legislation itself which is simply ridiculous. Millions of dollars have been spent, I know, for the production of a report on unemployment insurance. But I am still wondering if that inquiry has not been used, as many others, to reward those who have served the party well, especially when we know that the staff of all those agencies is made up of people who helped the party.

We are still waiting for the members to study at least the Gill report in the house. Meanwhile, the unemployed are waiting in vain for justice to be done.

To give you just an idea of the unforgivable injustice done in our areas, I shall only refer to some cases about loggers.

The main industry in my riding is the forest industry. The workers leave in the fall to come back only in February. When the work is done, each man goes to the unemployment insurance office. And there the clerk, a little sulky, glances at the book. He asks himself two questions. Are there enough stamps? If not, it is simple, the clerk says "You may go, you do not have enough stamps" without any further explanation.

On the other hand, if there are enough stamps, it is a different story. The worker will be sent where no worker could go, for instance, to cut wood for a small contractor who never pays his men. And if he should refuse, this is a sufficient reason to cut off his benefits.

Another time a farmer comes during winter to get his benefits at the unemployment insurance office. He leaves his home in the morning and travels through a snow storm for about two, three or four miles; he gets stuck in a snow bank and arrives fifteen minutes late at the unemployment insurance office. What happens then? The clerk deducts five or ten dollars, depending on how long he was stranded in the snow bank. One must not come two or three minutes late to the unemployment insurance office. You must understand that those clerks are very punctilious. Mr. Chairman, I assure you that I am aware of cases similar to those I have just mentioned.

For instance, the head of a family comes to the unemployment insurance office and is refused his benefits, although his booklet is full of stamps. That man was sent to log where he could not earn only a dollar a day, just to deprive him of his benefits. For three months he did not get a penny from an insurance he had paid for himself; and mind you, when one pays for insurance, one must get coverage.

In fact, suppose you hold fire insurance and your house burns down. If you do not get your money from the insurance company, you will get a lawyer to settle your claim.

But it is not the same with unemployment insurance. A worker goes into the bush and he is not asked if he wants to contribute or not; the unemployment insurance premium is simply deducted from his pay cheque. And when the time comes to draw benefits, when he is unemployed, he is told: You are not entitled to draw benefits. We had the right to have you pay premiums for one, two, three or four months but you do not have the right to draw unemployment insurance benefits.

Mr. Chairman, last spring, following a small investigation, I found that more than 25 per cent of the heads of families in my area—I know my area is somewhat unusual —were entitled to unemployment insurance benefits. But it had been decided to eliminate by all possible means their benefits; and then they went back home with their four, five or six children, and for two or three months they received nothing except public charity to support their families.

Mr. Chairman, that is the reason why I should like to draw the minister's attention to those cases of hardship in order that his high officials make inquiries in our offices. It is not because we are somewhat far away, almost at the other end of the province, that insurance of people who paid for it should be stolen.

Mr. Chairman, I hope that those remarks will be taken into consideration by the minister.

Mr. Chairman, the other point to which I want to draw the government's attention concerns the areas designated as "depressed areas". All hon. members and the people wonder why 35 areas were designated as entitled to special federal assistance measures to promote economic and industrial development, because of their high rate of unemployment and slow economic progress. And they answer us that the choice was made by the area development and the assistance to economic development agencies.

I am convinced that hon. members would be very happy to fathom that mystery if the Ministers of Labour and Industry (Mr. MacEachen and Mr. Drury) would send them a list of the responsible people to every member.

Although we do not know more than any other citizen, if we look carefully at some of the other areas, we soon realize that many of the forgotten areas are much more in need than the others.

As far as I am concerned, I am very glad the Dolbeau district and few other ones have been included in the areas designated by the government.

However, if a survey were made in the district of Roberval, especially at the far end of my riding, namely St. Felicien, La Dore, St. Edwige, as far as Bouchette lake, we would be forced to conclude to the similarity between the two areas that make up the riding of Roberval.

The minister stated that the criteria used for the choice of the areas are established on employment and unemployment statistics taken during summer months instead of using the yearly average, to avoid giving too much importance to winter unemployment in areas where the problem is seasonal. In fact, the statistics have been based during the last eight years on the period between May and October, without taking into account considerations of time and place for each of these areas.

It seems that the board did not stop to consider that the Gaspe peninsula could not be compared to the Lake St. John area, and, moreover that they could not be compared for a given period of the year. Board officials have forgotten that the distance between Quebec and Ontario can have great influence on such a survey.

It seems that discussions are always held around a conference table where decisions are taken. As in most fields, it is assumed that four eggs give four chickens, and eight eggs, eight chickens, and nobody enquires about whether or not all conditions are fulfilled.

Every year, the Department of Labour intends to make a survey of all the areas, but always under the same conditions, the same causes unavoidably producing the same effects.

Mr. Chairman, are you not of the opinion that better results would have been achieved if they had ever dared to consult the members in each riding?

If the hon. members were asked to make a survey with the help of each organization in their ridings and then report to the Department of Labour, it would be much more logical and useful. We still have to cope with bureaucratic action in its simplest form, a disease affecting modern society. It is also the screen behind which hide the little dictators of various parties whose mission in life is to keep honest workers, the hon. members, from fulfilling faithfully the functions for which they were selected by the people.

Half of the areas in my riding were declared depressed areas and therefore entitled to a 60 per cent federal grant for winter works, in addition to the benefits provided for new industries.

I am quite happy to see the Dolbeau area included in the regions designated by the government.

But I am very much surprised that the other part of my riding is excluded or forgotten.

A strange thing is the fact that at St. Felicien, for instance, where the river divides that economic area in two, one side of the river is designated as a depressed area while the other side is not. I am therefore asking the Department of Labour to see about correcting that anomaly immediately.

And more specifically in the case of St. Felicien, the matter is urgent because they are developing the river bank into a wonderful driveway which will be the pride of the town and will give work to the unemployed.

We are told that the department based their decision on the statistics issued by the unemployment insurance office. As regards the Roberval office, I cannot understand the conclusions of its report. Indeed, there is only one community where the population has decreased in my riding and that is in the Roberval district. I find the same error in that part of my riding as the one made in the Gaspe peninsula ridings, for instance.

The department has corrected the situation in the Gaspe region and I am sure they will show the same fair play in the Roberval riding.

It is hard to say what winter will be like in my constituency since the largest lumber corporations plan to close down their operations around the end of January. That is to say that winter works granted to 60 per cent of my riding will prove to be a necessity for the months to come. And as evidence, Mr. Speaker, I have here a resolution by the municipal council of Roberval asking the minister to come to their help.

I sent a copy of that resolution to the Minister of Labour and I hope he can act in time because there are only about ten days left to place the necessary requests and obtain approvals in time.

In the name of all my fellow citizens of the Roberval riding, I am asking the government to revise the case of the Roberval office so that the whole riding be declared a depressed area and be entitled to the benefits provided under the act. The minister is surely aware of the situation after all the telephone calls made and all the letters sent by the authorities in my riding.

We are craving for one thing, a little work for our unemployed this winter. I am sure the Minister of Labour will find a solution to that problem immediately and take into

serious consideration the suggestions contained in the resolution of the St. Felicien council.

[*Text*]

Mr. Howard: Mr. Chairman, I have listened with a great deal of interest to the members who sit immediately next to us who seem for the time being to be both without a name and a purpose. It would appear, on the surface in any event, that the debate in which they are engaging this evening is a gross abuse and misuse of the interim supply procedure to attain some sort of end which is not yet clear. In any event, I think it is a misuse of this particular procedure to obtain interim supply for Her Majesty.

As far as the name is concerned I think we might, while sitting here, properly refer to them in English. I do not know how this would be translated into French, but in English it would, perhaps, be the national union of 13 separatists. You will immediately see, Mr. Chairman, that with the propensity of the newspapers to condense almost everything to some alphabetical nomenclature, taking the first letters of the national union of 13 separatists, it comes out to "nuts".

Mr. Langlois: We are happy to find that there are some who are capable of recognizing nuts when they see some. These animals can be recognized when they are out in the fields; we must be careful, or we are liable to be collected by them.

I do not intend to speak for very long, but before trying to get order anywhere else I believe it is time to establish some order here. It is the business of the government to see to it that justice is done, one way or another. It is up to the government to make its own decisions, not to depend on anybody else or to hope that a decision will come out of the blue. I hope a decision is reached tonight and that it will be taken for the benefit of all.

[*Translation*]

Mr. Chairman, I have several matters to discuss, but I shall limit myself to pointing out only a few, so that the government may understand the exact meaning of what I want to say without getting mixed up. I am well aware that as could be noted until now the government has a very quick perception, and is quick enough to grasp this country's problems, but not quite as quick when it comes to finding solutions. I shall therefore list a few problems which we have to face, more particularly in my riding, as well as others which affect the country as a whole, like unemployment and farming.

My fellow member for Roberval (Mr. Gauthier) has just mentioned the unemployment problem, and though he dealt at some length, there are still a few points he did not mention. I consider, for instance that as far as the federal administration is concerned, that committee should be responsible to the house, because there is now perhaps unintentional, discrimination against those who have to deal with the officials of the unemployment insurance commission.

Let me quote as an example the case of a fellow in my county—and there may be several others throughout the country—who, having worked for somebody and paid his stamps, goes to the unemployment insurance office in the fall to get his insurance pay, as he is unemployed. Being a carpenter, he had worked in the building industry. His job having come to an end he went to that office and was told by an officer: "You are not entitled to any benefits, sir, just because you did not work for a man normally called a 'jobber'." And the official in that office simply tore up his stamps.

My friend spent all winter without drawing any benefits. The following summer, he went to work again. The same man who had provided stamps the previous year re-employed him. He went back to the unemployment office and the official told him that he had to affix stamps. Why is it, Mr. Chairman, that in the case of the same two persons, one the employer and the other the employee, it was necessary to pay stamps the previous year, but that the employee was not entitled to draw benefits, because the stamps were not valid? Why does the government compel citizens to do such a thing and then change its decision? It is an injustice of the federal authorities through the unemployment insurance commission. Such a thing does not only happen in the county of Megantic but throughout the country. Perhaps these things are not consciously done, perhaps the government is unaware of them, but they happen in many ridings and parishes in this country. It is high time the government assumed its responsibilities and started solving its own problems, before trying to tell others what to do.

There is another case in my county—that of a man, working in a mine, who takes a holiday and is dismissed. The worker is told: "You are dismissed for two weeks and this will be your holidays, but he is not explicitly told that the work will be resumed after two weeks. He is also told: Go and submit a claim at the unemployment insurance commission. Then our friend submits a claim in order to draw benefits.

After two weeks, work is resumed. But one of them had not been to the unemployment insurance office to submit his claim. He had

been paying unemployment insurance contributions ever since the enactment of the act and was entitled to draw benefits for 52 weeks. At the end of the year, in December, this individual reached 60 years of age and was retired. He applied to the unemployment insurance commission for his benefits. He drew them until the month of August, but then, the payments stopped. Since then, that person did not get any money. He actually lost his benefits for September, October, November and December and yet, he had been paying his contributions for ten years.

Mr. Chairman, if a worker paid all his contributions even though he did not submit any claim, he is supposed to get some money, because in all fairness, he is entitled to his benefits even though he did not apply to the unemployment insurance office. Workers know that the commission is under federal jurisdiction. All those who have their work cut out with government representatives or with opposition members, as well as those who have trouble getting their unemployment insurance because it is federal business, naturally lose faith in the Liberal and Conservative parties.

I am convinced that Conservative and Liberal governments, and even the New Democratic party have been harried by workers.

Sometimes commission executives themselves lose their bearings. In my constituency, if the unemployment insurance officer does not have the necessary answers, or if the case appears too involved, he tells people to go to Montreal and find out what it is all about. And so, poor people without a cent in their pockets are compelled to go to Montreal to clear things up. The office in my part of the country should certainly not be a sort of travel bureau which sends workers on trips to Montreal.

Here is a case which arose in my county in connection with unemployment insurance and winter works. A man claimed his unemployment benefits, and got them. Some time later, say in October, when he scarcely had worked at all, he is called because he is available for work.

Mr. Chairman, if the fellow who gets $32 to $36 a week in unemployment insurance benefits is deprived of that on the pretence that he is available for work and able to cut branches along the road during a period of three days at a modicum of $8 per day, that is $24, it is no wonder that he should recriminate. He would rather be unemployed and get $36 a week than work for $24, and that is the sort of things we get at present.

So, we are using the unemployment insurance fund in order to give work to the workers during wintertime. Thus it is their own money; they have worked; they have paid for stamps and they are forced to dig ditches along the roads.

I know that such an injustice happens in various parishes and that it has happened in my own constituency; and we wonder afterwards why the workers protest when they are being told that they cannot get unemployment insurance benefits on the pretence that they are available for work, if they refuse to cut branches along the road.

Another case, Mr. Chairman, has happened in my county: a fellow has been taken ill since he was temporarily laid off by the mine. He has collected his unemployment insurance benefits and then, after having been hired again by the mine, he had to pass a medical test whereby he was found to be suffering from tuberculosis. They told him: "We cannot hire you, my friend." In the meantime, the unemployment insurance commission officers had found out that the man was not working. The commissioners went to his house and said: "How is it that you are collecting unemployment insurance benefits?" He answered: "Listen, I was unemployed, I have been fired". They told him that he could not get unemployment insurance benefits on account of his illness, that he was not entitled to them, that he had failed to state that he was ill, hence that he had made a misleading report.

Mr. Chairman, that man did not know he was sick during those three months he was unemployed. It was only when he came back to work and the mining company forced him to take a medical examination that his illness was discovered. That man did not know he was ill when he applied for unemployment insurance benefits.

Such an injustice should be corrected and the unemployment insurance commission should take its responsibilities. It is up to the house and the government to correct the situation.

It is quite likely that the same thing is happening elsewhere.

Earlier, I asked the hon. Minister of Labour what he was doing with the Gill report and whether a committee of the house would be set up to examine the report, to enact its recommendations and to put an end to those injustices. What did he reply? The same thing as usual: We will take it under serious consideration.

I hope the time for consideration is over, that we are now going to see some action and that the minister will take his responsibilities. It is up to the government to act if it wishes to do so. Otherwise, it will do the same thing as its predecessors, it will drag its feet for 95 years.

The Gill report is not the only topic I wanted to discuss here. Let us hope that the present government will act faster than its Liberal predecessors.

It would seem that there are, within the government, men who are able to take advice and make decisions, but let them do something. Whether they do right or wrong, let them do something for heaven's sake. They have done nothing until now, so let them wake up.

There is not only the Gill report and the matter of unemployment insurance, there is also agriculture.

Mr. Chairman, last year, the former member for Bellechasse (Mr. Dumont) discussed both eastern and western agriculture. This year, there is some talk about the appointment of two ministers of agriculture, one for the east and one for the west. Frankly, I find that a bit embarrassing. The government has trouble finding one good man; how can it find two of them? Indeed, my colleague has asked for the construction of storage facilities along the St. Lawrence. What was to be their purpose? They would be for the benefit of farmers of the province of Quebec who may be, at present, in worse financial straits than western farmers and who envisage the coming winter with great anxiety.

Even I do not know where they will get the funds required to operate their farms and look after their families. When the former member for Bellechasse asked for storage facilities along the St. Lawrence, it was so that there would not be too many hands tampering with western wheat on the Canadian wheat board. At the present time, the government is paying the western farmers 45 cents for a bushel of oats and 55 cents with the adjustment payment, while the eastern farmer has to buy it at $4 and $4.50 per cwt. In between, who is tampering with bushels of wheat and oats? The situation is the same in Alberta and British Columbia. Certain apple growers—

Mr. Côté (Longueuil): May I ask the hon. member a question? Could he give us the meaning of the word "tampering"?

[*Text*]

Mr. Langlois: I will. It is not in the same sense as fooling around.

[*Translation*]

An hon. Member: In French.

Mr. Langlois: It is not used in the sense of fooling around with grain, but simply of speculating on grain. Does that answer your question?

An hon. Member: I shall look it up in my dictionary.

[Mr. Langlois.]

Mr. Pigeon: The word is rather slangy.

Mr. Langlois: Maybe so. It is a good thing to resort to such words from time to time in order to be understood. They are very expressive.

Mr. Chairman, to come back to agriculture, in Alberta and British Columbia, we have wheat growers and apple growers. Here is an example of what I mean by speculating on Canadian products. In British Columbia, which is an apple-producing province, to get a bushel of wheat in Alberta, a farmer has to give from 4½ to 5 bushels of apples. Now, let us reverse the roles and go into the province of Alberta. We know that in Alberta a farmer is obliged to furnish from 4 to 5½ bushels to have one bushel of apples, whereas both are equivalent to 60 pounds. Who benefits from the 3½ to 4 bushels of wheat or apples? Who gets the profit? Here, what does the Canadian wheat board do once it relinquishes its control; it is the Winnipeg wheat exchange which ships the goods to Montreal and Toronto? But it continues the same speculation so that the eastern farmer pays more than the special amount on the exchange of wheat and grain originating in the west.

That is what the former member for Bellechasse asked. He wanted to avoid that speculation by having warehouses along the St. Lawrence. It is the Canadian wheat board that pays transportation costs for the wheat directly from the great lakes to the St. Lawrence river. He wanted to dispense with the province of Quebec co-operative societies paying an additional amount on those bushels of grain to the Canadian wheat board, to the western farmers.

Mr. Chairman, there are in the province of Quebec as well as in the other provinces a great number of farmers whose lands are presently encumbered with farm loans, lands that were nevertheless free of debt for generations, that were cleared by the ancestors of today's occupants. That is the present situation, although some claim our economy is sound whereas the farmers' lands are mortgaged to the hilt to either the federal or the provincial farm loan boards.

Mr. Chairman, such a situation depends only on one thing. We cannot charge that all the farmers are poor managers, that they are imbeciles, that they know nothing about production. I believe that there are some farmers who can produce much more than some members of parliament. It is not up to us to judge them. We should seek here at home the reason for this state of affairs. Is it our laws, our own administration in this house which force those farmers to mortgage their farms?

Mr. Chairman, it is not by lending more to the farmers through farm loans that we shall resolve the problem. What the farmer wishes presently is to obtain a better price for his products and to pay a little less in taxation. Thus, the farmers may succeed in making both ends meet. Mr. Chairman, there is another point I should like to deal with; it concerns our young people, unemployment, unemployment insurance, but also the economic development of this country. And at this stage of my remarks, I would ask the Minister of National Health and Welfare (Miss LaMarsh) and the Minister of National Defence (Mr. Hellyer) to listen carefully to what I am going to say.

I want to deal with the problem facing our young people today when they wish to join the armed forces and benefit from federal government assistance. When a student wants to join the armed forces, he is paid a salary, given military training, clothed, lodged and fed. But when the same student wants to get a scholarship to go to university, he is told: "Wait a minute, the government does not give scholarships".

How is it that the government has money to give our young men military training, but have absolutely nothing to offer to those who want to carry on their studies at the university?

Mr. Chairman, one must not forget that our university students can defend our country as well as our young military trainees, for every man defends his country in his own way.

Now, why does not the government give direct assistance to those who want to carry on their studies at the university, as it does in the case of those who wish to join the army?

It is all very well to defend our country, but we must not only defend it, we should also develop it, and those who will develop it will be perhaps in as good a position to defend it as those who will have had military training.

Everybody could work along the same lines, some looking after the country's military defense while others would look after its growth.

Mr. Chairman, that is the point I wished to raise about youth. I know that the Minister of National Health and Welfare takes a special interest in the young people of Canada, since she has already started a campaign and made sacrifices herself by giving up smoking. That is already a good example she has set our young people in order to keep them in good health.

I am asking the government whether they have a solution, as quite often they have not, why—

Mr. Pigeon: Mr. Chairman, on a point of order, could we be informed of the friendly agreement that seems to exist between the member for Lapointe (Mr. Gregoire) and the leader of the house?

Mr. Gregoire: Mr. Chairman, it is always better to have friends than enemies.

Mr. Pigeon: So the divorce is over.

Mr. Langlois: Mr. Chairman, I did not get the question or the remarks of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) but if they are in any way similar to his other remarks I will not lose any time in trying to reply to them.

In conclusion I would simply suggest to the government, seeing that they are unable to solve the problem of unemployment, misery, hunger and insecurity in our country at present, and have not found any solution in their own political structure, after 95 years of trial and errors, that they should change their routine and try some other means, like the monetary reform advocated by the Social Credit party. You may call that "funny money" but instead of calling the Social Credit monetary system the "funny money" system you should examine your own financial systems when you have to devaluate the dollar, when you have a revaluated or devaluated dollar. That never happened under a Social Credit administration because there never was one, but it happened under the Liberal and Conservative administrations.

At the present time we need solutions to wipe out the national debt which is increasing day by day and to remedy unemployment, misery and hunger.

I am asking the Minister of Finance, the Prime Minister and their colleagues in the various departments to consider the solutions offered by Social Credit; they may find solutions to the problems they have to face at the present time.

[*Text*]

Mr. Winch: Mr. Chairman, I appreciate your giving me the floor at this moment. The hour is getting late and I would like to appeal to every hon. member of the house to appreciate the circumstances under which we are presently operating, and to understand something on principle and not on expediency. I ask, right now, will all hon. members and all parties agree to call all speeches to a complete halt and vote on the important issue before us?

Anyone who stands now is guilty of denial of principle and expediency. May we now, sir, have the vote?

Mr. Gregoire: I will stand but for one moment, and then we will have the vote. We

are putting an end to our speeches, but before that I would like to say that I have attended the committee on privileges and elections since 8.30 o'clock and it is not serious at all. I was not able to see they were willing—

[*Translation*]

The Chairman: Order. I must remind the hon. member that he is not permitted to refer to the matters presently under consideration in the privilege and election committee.

Mr. Gregoire: Very well, Mr. Chairman. I just wanted to say that we are confident that the other side of the house will deal with the problem as quickly as possible, and we shall leave it at that.

[*Text*]

Motion agreed to.

Resolution reported and concurred in.

WAYS AND MEANS

The house in committee of ways and means, Mr. Lamoureux in the chair.

INTERIM SUPPLY

Mr. Gordon moved:

Resolved, that toward making good the supply granted to Her Majesty on account of certain expenses of the public service for the fiscal year ending March 31st, 1964, the sum of $747,449,955.03, be granted out of the consolidated revenue fund of Canada, as set forth in the resolution concurred in this day in the committee of supply.

Motion agreed to.

Resolution reported and concurred in.

Mr. Gordon thereupon moved for leave to introduce Bill No. C-101, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

Motion agreed to, bill read the first and second times and the house went into committee thereon, Mr. Lamoureux in the chair.

Clauses 1 to 6 inclusive agreed to.

Schedules agreed to.

Title agreed to.

On the preamble.

Mr. Pigeon: Mr. Chairman, there is one matter I would like to raise. I would appreciate very much knowing from the house leader what compromise he made with Social Credit about this?

The Chairman: Order.

Preamble agreed to.

Bill reported and read the third time and passed.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I would like to know from the house leader, now that the hurricane warnings have been taken down, what business will be ready for the ship of state tomorrow, on the calmer seas?

Mr. Pickersgill: I sincerely hope that the hon. gentleman's forecast is correct and that the hurricanes are over, both in the Caribbean and here. We would go ahead tomorrow with the old age pensions bill, the two Northwest Territories bills and the vocational training resolution. That, I think, would probably occupy the greater part of the day. If there were any time left the government would reserve the right to take anything on the order paper of a relatively non-controversial character.

Some hon. Members: Explain.

Mr. Pickersgill: It would be my hope that progress would be made both in the house and in the committees.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, October 8, 1963

The house met at 2.30 p.m.

NATIONAL DEFENCE

CONCURRENCE IN SECOND REPORT OF SPECIAL COMMITTEE

Mr. Maurice Sauve (Îles-de-la-Madeleine) presented the second report of the special committee on defence, and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

MOTION TO SUSPEND ADJOURNMENT TIME AND TO PERMIT SEVERAL READINGS OF SUPPLY BILL

On the order:

Motions—Resuming the adjourned debate on the motion of the Secretary of State:

That, until the proceedings on the interim supply resolution, now before the house, and on the supply bill to be based thereon have been disposed of, the provisions of section 3 of standing order 6 concerning the time of evening adjournment shall be suspended; and that, in order to allow for several readings of the said supply bill in any sitting, the provisions of standing order 75 shall be suspended in relation thereto;

Provided that, if any other government order is taken in any such sitting, the terms of this order shall not be operative.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I wonder whether there would be unanimous agreement in the house to have the motion standing in my name dropped in view of the passage of time.

Mr. Pugh: As long as you go with it.

Mr. Speaker: Does the house give unanimous consent to the request of the Secretary of State that his motion be dropped?

Mr. Nowlan: As amended.

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

LABOUR RELATIONS

LONGSHOREMEN'S STRIKE—DENIAL OF RUMOURS RESPECTING COMPULSORY ARBITRATION

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I should like to advise the house that this morning I had discussions with representatives of the longshoremen concerning the dispute involving dock operations in Montreal, Three Rivers and Quebec city. These representatives were gravely concerned with respect to misleading and erroneous reports to the effect that the government was holding the club of compulsory arbitration over the heads of the parties to the dispute, and that the government had decided to impose compulsory arbitration to effect a settlement of the dispute.

Here and now, Mr. Speaker, and in the strongest possible terms I wish to state that the government has made no threats of compulsory arbitration directly or indirectly and, further, that the government has made no decision with respect to imposing compulsory arbitration by legislation. We have appointed a mediator who is engaged in a sustained and intensive effort to settle the dispute on a voluntary basis, and I am in full agreement with the representatives of the longshoremen that innocent or malicious speculation regarding the imposition of arbitration can have nothing but an inhibiting effect on the efforts of Judge Lippe. I have received tributes to the skill and patience of Judge Lippe in this difficult situation.

Finally, I would refer members of the house to my statement last Friday. Both parties in this dispute have complied fully with our labour law and are free now to engage in other processes available to them under that law. We have gone beyond our usual efforts to assist the parties because of the national importance of a resumption of the dock operations. The government expects the parties, by voluntary methods and with the able assistance of the mediator, to work out their economic affairs in good faith, and I hope this statement will assist them to that end. Meanwhile Judge Lippe is continuing his efforts and will discuss with the parties this afternoon, as he did to the early hours of this morning, proposals for the settlement of the dispute.

TRANS-CANADA AIR LINES

WINNIPEG—TRANSFER OF OVERHAUL AND MAINTENANCE BASE

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I should like to make a short statement concerning Trans-Canada Air Lines overhaul and maintenance facilities at Winnipeg, the Dixon-Speas study and matters arising out of it.

On the basis of full and confidential information involving T.C.A.'s forward planning

of its operations for the next 10 years, the consultants think that the most economic course for T.C.A. would be to close the Winnipeg facilities.

Both T.C.A. and the government recognize that, while this is indeed an important consideration, there are other factors which have to be considered too. T.C.A., therefore, stands by its previous decision to maintain the Winnipeg facilities until 1966.

Now that the Dixon-Speas report has provided full information on one aspect of the problem, the government will consider this in relation to other aspects, the general shape of national aviation policy and policies for regional economic development and manpower adjustment. The decision as to whether the Winnipeg facilities should be adapted for use beyond 1966 will be based on all these considerations, as the Prime Minister has promised it would be. The government appreciates the importance to the people affected, of an early decision. Therefore, complex though the problem is, it expects to come to a conclusion by the end of the year.

Hon. Gordon Churchill (Winnipeg South Centre): We have been waiting with a great deal of interest and some impatience for a report by the minister. We had hoped that he would have given the house and the country a decision by the government right now. He has not given us any additional information. We have been aware that the recent technical report dealt with the economic factors. We have been aware also that the government, through the Prime Minister and others, has made commitments to the people of Winnipeg and the employees of T.C.A. that other factors would be considered.

There is nothing new, therefore, in what the minister has now stated except that other matters are going to be decided upon before the decision is reached. He mentioned, I believe, a policy with regard to regional industrial development and aviation policy; and his colleague the Minister of Veterans Affairs was reported somewhat earlier to the effect that there was a third policy, job displacement and regional manpower adjustment. These three policies have to be formulated and implemented, according to the Minister of Veterans Affairs, before a decision is reached concerning T.C.A. overhaul and maintenance base.

This means a great deal of unnecessary delay, in our opinion, and is very frustrating indeed to the employees of T.C.A. in Winnipeg and to the general economy of that great city.

Mr. David Orlikow (Winnipeg North): I am certain that the statement made by the minister today will be a great disappointment to everybody in the greater Winnipeg area. This is a subject which has received unanimous support from all sectors of the province, labour, management, business and provincial and municipal governments. The Prime Minister, the minister and other members of the government met a large delegation here last May, and the Prime Minister made it clear that the economic effect of this move on T.C.A. would not be the only consideration which would be looked at by the government. In other words, something besides the mere saving of money by T.C.A. would be considered.

We are all disappointed that the report to which the minister referred has been kept secret and has not been made available to the interested parties. It is our understanding that the only thing the report says is that T.C.A. would save money. There is nothing in the report which changes the original contention of the parties that the move would be a real blow to the province of Manitoba and to the greater Winnipeg area, and a tremendous hardship on the people who work for T.C.A. in Winnipeg who would be forced to move to Montreal.

There is nothing in the minister's statement which would at all allay these fears, and I certainly join with the hon. member for Winnipeg South Centre in expressing disappointment that the people of Winnipeg will again have to wait, this time until the end of 1963. On the basis of past experience with T.C.A. in this problem, at the end of 1963 we will probably hear that it will take until the end of 1964.

What we are worried about, aside from this delay, is that while this is going on T.C.A. will continue the process of the last 10 years of chipping away the whole position of T.C.A. in Winnipeg. Despite all the assurances of T.C.A. and ministers of transport, there has been a continuous drop in T.C.A. jobs at Winnipeg, and I hope the minister would at least make it clear to T.C.A. that there should be no reduction of jobs in Winnipeg, and no transfers from Winnipeg to Montreal, until the government has enunciated its policy much more clearly than the minister did today.

TRADE

ANNOUNCEMENT OF AGREEMENT BETWEEN CANADA AND BULGARIA

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I am pleased to announce that on behalf of the government of Canada I have just signed a three year trade agreement between Canada and the People's Republic of Bulgaria. In connection with the negotiation of the agreement it has been my pleasure to welcome to

Ottawa Mr. I. Boudinov, Bulgarian minister of foreign trade, who is in the gallery today witnessing our proceedings.

Some hon. Members: Hear, hear.

Mr. Sharp: Mr. Boudinov signed the agreement on behalf of the government of his country. The agreement provides for an exchange of most favoured nation treatment between our two countries, and a commitment by the People's Republic of Bulgaria to purchase a minimum of 100,000 metric tons of wheat in each of the three years of the agreement. However, Bulgaria will purchase an additional 150,000 metric tons of Canadian wheat, subject to the Canadian supply position, during the current crop year, and the way is open for both parties to negotiate for even greater quantities in the future. At buyer's option, all or part of the above mentioned quantities of wheat may be taken in flour equivalent.

The agreement provides for consultation between representatives of the two governments respecting implementation of the agreement, should this be required. In addition, it has been agreed that trade offices may be opened both in Canada and Bulgaria for the purposes of market exploration and trade promotion. The conclusion of successful negotiations followed preliminary talks which have taken place between representatives of the two countries over several months.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, the house and the country will be very well pleased to hear that the minister is taking advantage of the tremendous demand for products of this country in countries behind the iron curtain. There was no secret about the fact that over the last two or three years this demand was rising and these countries were in the market for long term agreements for our products, and that we in return would have to make them some concessions in order to get into our markets here. I only hope the most favoured nation treatment that has been granted to Bulgaria today will result in considerable trade between our two countries, and I hope the government keeps up this program of dealing with countries behind the iron curtain.

I would like to mention this specifically. On August 3 last I gave a list of countries which I think would be interested in receiving the same type of treatment. If the minister would go to Hungary, for example, I think he could probably make an agreement for 300,000 tons a year. I think this could be done by giving them most favoured nation treatment.

I would like to congratulate the government for its wisdom in following the sound policies already well established.

Some hon. Members: Hear, hear.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I would like to welcome the announcement of the Minister of Trade and Commerce respecting both the specified quantities of wheat that have been sold to Bulgaria and also the fact that most favoured nation trade arrangements have been set up with that republic. I think it is going to tax our transportation facilities in Canada to the maximum to deliver all the wheat involved in the commitments we have made for the balance of this crop year. I therefore hope there will be a very high degree of co-operation among the Department of Transport, the labour unions and others involved in order that we are able to meet the delivery commitments. I would like to commend the government for continuing, if you want to call it that, or initiating, if you prefer that, the expansion of trade in this area.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, all Canadians will welcome the announcement by the Minister of Trade and Commerce to the effect that a trade agreement has been entered into with the government of Bulgaria, that this will involve sales of Canadian wheat over the next three years, and that in return we will be extending to Bulgaria the most favoured nation provisions.

I think the government is wise in recognizing two basic principles; first, that we ought to be prepared to sell food and other non-strategic materials to any country which is willing to pay for them either in cash or on a credit basis. I think the second principle which is recognized, and I hope they will continue to recognize it, is that if we are to sell export commodities like wheat we must be prepared to accept some of the goods of other countries in exchange. We cannot have one way trade; trade is a two way proposition. Certainly the government is wise in exploring the whole field of what goods from these other countries we can accept so as to enable them to earn the necessary Canadian dollars with which to pay for the wheat.

I would like to say one other word; that some of the ministers who have been advising western farmers that they had better get out of wheat will probably now have to reverse this advice. I am convinced that the wheat acreage on the prairies could be greatly expanded and that there will be no difficulty in increasing the production of wheat if that is necessary to meet these further orders.

POWER

ANNOUNCEMENT OF NATIONAL POLICY

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I wish today

to announce on behalf of the government a national power policy. I do not think I have to emphasize the vital role the power industry is playing and must continue to play in the development of our nation. The story of the electric power industry of today is one of constant evolution as it strives successfully to reduce costs. Canada must provide the climate in which we can take advantage of these technical breakthroughs.

Our policy places particular emphasis on (a) the desirability of Canada taking fullest advantage of the evolutionary changes that have taken place in the nature of the power industry, including technological improvements in generating and transmission facilities, and the reduced costs of power associated with these; (b) the provision of abundant supplies of electrical energy to consumers throughout Canada at the lowest possible cost to encourage and accelerate economic development and growth; (c) the need for Canada to have a flexible export policy which, *inter alia,* would permit the export of large blocks of power to the United States for a relatively long period of years to assist in the immediate development of certain large scale Canadian power projects, particularly undeveloped hydro resources which might not be viable in the near future unless provision were made for the marketing in the United States of a significant portion of their output; and (d) the strengthening of our balance of payments position through the export of power surplus to our own needs.

The policy now being announced reflects important changes which have taken place in the circumstances affecting export of power. The government is fully aware of the body of public opinion that has been opposed to export of power, in the first instance because of events which occurred over 50 years ago.

The National Energy Board Act now provides that all exports of power must be licensed by the national energy board with the approval of the governor in council. Licences may not be issued for a term in excess of 25 years. The national energy board is required to certify that the power to be exported does not exceed the surplus remaining after due allowance has been made for the reasonably foreseeable requirements for use in Canada, and this has been interpreted to mean surplus to Canadian requirements which can be supplied economically from the generating facilities producing the power for export. Further, the board must satisfy itself that the export price of the power is just and reasonable in relation to the public interest.

From 1907 until the coming into force in 1959 of the National Energy Board Act, the export of power was subject to licence under the Exportation of Power and Fluids and Importation of Gas Act. By regulation under that act the term of a licence was limited to one year. This was intended to prevent permanent alienation of Canadian power capacity which, though surplus when installed would be required in Canada as time went on. It was realized that if an industry or a community in the United States became dependant on a Canadian power supply it would be difficult, if not impossible, to withdraw that supply.

Such difficulties as have occurred in respect of the recapture of power exports arose in part because over 50 years ago long term contracts—up to 85 years—were made by Canadian power producers with specific industries in the United States. The contracts contained no provisions for the repatriation of the power. The Canadian supplier, in effect, had taken on within the United States the responsibility of a public utility to maintain continuity of supply for its customers. As a result, the protection of the one year limitation on licences was illusory.

The nature of the power industry today is very different from what it was in 1907 and in most of the intervening years. It is now unusual for the capacity of a large, modern electric plant to be dedicated to a single industry, or for a large utility to be dependant on one source of power supply. We are entering the era of large private and public electrical utilities, interlinked with high voltage lines and operated pursuant to interconnection agreements designed to take advantage of the new technological improvements and the economies of scale.

A public utility, whether in Canada or the United States, now takes it as a matter of course that it must contract for or instal capacity to replace a portion of its total power supply when the contract covering that portion runs out. The old aphorism that an export sale, once established, cannot be terminated without hardship in the export market and danger of international friction is no longer valid if the export contract is made with a public utility in the United States under reasonable terms and conditions.

When the National Energy Board Act came into effect in 1959, power export licences which had been issued under the Exportation of Power and Fluids and Importation of Gas Act were continued in effect for some time, so that the board might apply to each case with minor exceptions the procedure of application, public hearing, detailed analysis and recommendation to the governor in council.

In 1959 actual total exports, as distinguished from licensed authorizations, were 4,582 mil-

lion kilowatt hours. In 1962 export had declined to 89 per cent of the 1959 total. In 1962 Canada produced 117 billion kilowatt hours, including 11.4 per cent from thermoelectric plants. Of the total production, only 0.47 per cent was exported as firm energy and 2.8 per cent as interruptible energy. Of the latter, 86 per cent was interchanged with United States utilities, having been returned to Canada at the same time over other circuits, or over the same circuits at other times.

In the light of the circumstances I have outlined the government has decided to develop and carry forward effective policies embracing two essential concepts; first, encouraging development of large low cost power sources and the distribution of the benefits thereof as widely as possible through interconnection between power systems within Canada; second, encouraging power exports and interconnections between Canadian and United States power systems where such induce early development of Canadian power resources.

More specifically, our policy is as follows. The government, having due regard to the rights of the provinces with respect to the development and distribution of power, and keeping in mind its own responsibilities in this field, desires to encourage interconnection agreements and maximum utilization of intertie facilities between electrical systems, both publicly and privately owned. The government, in co-operation with the provinces, has already undertaken studies to investigate the possibility of interconnecting power systems across the country. It realizes that the complete interconnection may not be economically feasible for some years to come. Nevertheless, it would appear that by establishment of interconnection facilities between utilities in adjacent regions, wherever practical, a national system might be developed by a succession of stages, each valuable in itself.

The government believes that it would be beneficial to Canada and to the United States, and not prejudicial to the national interest, to encourage interconnection agreements and interties between utilities in the respective countries in cases where the interconnection agreements suitably protect the Canadian interest. In cases in which Canadian utilities enter into appropriate interconnection agreements with United States utilities, the government will be prepared, upon recommendation of the national energy board, to give favourable consideration to the authorization of export of power to United States utilities for purposes including the following. First, to provide stand-by service in the case of emergencies, thus making possible the reduction of reserve generating capacity otherwise required by the utilities; second, to provide for economy flows between plants or systems; third, to provide for sales of surplus interruptible energy; fourth, to provide for exchange of power and energy to take advantage of load, watershed or other diversities; and fifth, to provide for exports of firm power for limited periods to make possible the step by step construction of the most economical generating facilities on either side of the boundary.

The government also believes that it would be in the national interest, in suitable cases, to license the export of large blocks of firm power to United States utilities to permit the development of large scale remote hydro or other power projects which would not be viable unless supported by the export for long periods of a significant proportion of the power generated. The National Energy Board Act permits such exports for periods of up to 25 years. Provision would have to be made for the recapture of such exported power over a period of years, in stages commensurate with the need or ability of the Canadian market to absorb it, and upon notice adequate to enable the importing utility to arrange for replacements. The provisions of the National Energy Board Act would, of course, apply to any case of this nature, as to any export of power.

The government will, upon recommendation of the national energy board, continue to authorize the export of relatively small amounts of power and energy to border areas in the United States where, for geographical reasons, Canada is the economic source of supply.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the long disquisition by the Minister of Trade and Commerce was summarized in about two lines in the speech from the throne in 1962 presented by the government of which I had the honour to be the head.

The minister went back to 1907 and dealt with the statute of that time which denied the export of power, and he left the impression that this announcement today was something that represented cogitation and consideration by the present government. I would point out this fact; that three years ago we took the stand that the rules which had heretofore been in effect denying export should be removed, and that export of power surplus over and above foreseeable needs could be made to the United States. In addition, at the same time or somewhat earlier we established the national energy board in order to bring about power development in Canada which would assure our future needs and we gave that board the power to recommend the export of power subject to the

agreement of the governor in council. All these things were done under the previous government.

The announcement made today adds thereto the establishment of a national grid. This was part and parcel of our policy, a policy for which we received little support from those who now sit opposite. Much is made of the fact that consideration is now being given to preserving and maintaining provincial rights in this connection. That, too, is a welcome change on the part of the government. We had negotiations under way for the establishment of a national grid. In short, this announcement was made by us several years ago—

Some hon. Members: Oh, oh.

Mr. Diefenbaker: However, in the words of a familiar quotation, while the lamp holds out to burn the wandering sinner may return, and we are glad to see that hon. gentlemen opposite have repented of their former attitude.

Mr. Bert Leboe (Cariboo): I rise only to say I am very pleased indeed with the announcement which has been made this afternoon in connection with power policy. For some time now there has been a dire need for changes to be made in the policy of the federal government relating to power and power distribution in Canada.

I may say I am not interested in the pot calling the kettle black or in the skunk saying "I smell something", if that is a better term. I am not interested in recriminations of that kind. I am interested in the progress that is being made, whether it began with the Conservative party or with the Liberal party; and I think if they are honest hon. members in all parties will be bound to admit that the difference between the two parties is very slight.

However, I know the province of British Columbia in particular will welcome this announcement. I can see that it is likely to have a direct effect on the plans which that government has for the development of the Peace river and of the Columbia river basin. This is of importance to the people of Canada as a whole, as was pointed out in the statement which the minister made, inasmuch as it concerns the arrangements made for the exchange of power between this country and the United States.

In conclusion I should like to renew a plea to the government that they give serious consideration to the establishment of a department of federal-provincial affairs. The circumstances surrounding this announcement provide one more illustration of the need for setting up such a department. As I say, we welcome the announcement and I am sure it will go a long way toward making possible the development which is to take place in the province of British Columbia, a development which will create markets for the manufacturing centres of eastern Canada.

Mr. T. C. Douglas (Burnaby-Coquitlam): This is much too important and complex a matter to be dealt with on motions on the orders of the day, and it seems to me some early opportunity should be given for a full debate on the subject by this parliament. This is a matter of far reaching importance to the people of Canada, and I hope the government will find an opportunity to arrange for a fuller discussion at an early date.

There are two aspects of the minister's statement upon which I should like to comment. The first has to do with the establishment of a national power grid. This is a project which has interested many of us for a number of years. Some progress has been made by utilities concerned, both public and private, as well as by the provincial governments in their discussions over the past few years, but I should like to say this to the minister. In our view the public and private power utilities of Canada do not merely require assistance in conducting studies. A good many studies have already been conducted, and I think the companies are able to undertake such studies without any great measure of assistance. The real problem which the power utilities face is the heavy capital expenditure which will have to be made if a national power grid is to be established.

New techniques have now made it possible to transmit power over long distances without a heavy line loss. In Sweden they are now transmitting power some 1500 miles without serious power loss and, I learned from engineers there, that in the Soviet union they are carrying power over distances even greater than this. But these developments require heavy capital expenditure, and if the government really wishes to help develop a national power grid it will, I believe, have to be prepared to make loans available to the public and private utilities so that construction may be undertaken with the result that wherever there is cheap power available in our part of Canada, it may be made available in other parts of the country. This would avoid part of our present deficit on our balance of payments account, because at the present time we are spending large sums on the purchase of United States coal for central Canada to provide power through thermal units.

The second point I have to make concerns the export of power. I would say that if the government now proposes to agree to the export of power there are two conditions

which ought to be laid down in order to safeguard the interests of the Canadian people. First, no power should be exported if it can be used to advantage in Canada. We should not be exporting Canadian power if it can be used near the point of production or transmitted to a part of Canada which could use it economically.

I do not know whether the government made this announcement today as a prelude to some decision with reference to the Columbia river development, but I think before any final agreement is signed with the province of British Columbia the whole question of that development should be submitted to the committee of external affairs of this house in order that the entire subject may be reviewed, and witnesses like General MacNaughton called, in order that hon. members may be fully aware of the situation. I say this because we are dealing here not only with the export of power but with the release of all the water of the fifth largest river on the North American continent. It is a most important matter and I hope it will not be referred to the committee on external affairs only after an agreement is signed and the house is faced with a *fait accompli*.

The second thing I wish to say about the export of power is that agreements for the export of firm blocks of power—arrangements for stand-by or emergency power are another matter—should be permitted only if there is provision for the progressive withdrawal of that power in blocks over a period of years in order to meet the growing needs of Canada. Power demand is increasing at an amazingly rapid rate, and we could easily sign long term commitments for power which we ourselves would need in the course of the next ten, 20 or 30 years.

I hope that the energy board will be instructed by the minister to see that in any export permits which are granted, there is adequate provision that this power can be restored to Canada as our demand load grows.

[*Later:*]

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Trade and Commerce arising out of his statement on power. Now that the new government has adopted the power policy of the former government, is the minister in a position to make a progress report on the Nelson river power study that was launched last year in co-operation with the province of Manitoba?

Some hon. Members: Order paper.

Mr. Sharp: Mr. Speaker, I thank the hon. gentleman for expressing his general accord with the statement I made on power. On the particular question of the Nelson river, I am not in a position today to make such a statement, but if he would like a progress report I will get one for him.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I have a supplementary question which is directed to the Minister of Northern Affairs and National Resources, who knows that I have been trying since June to get an interim report on the national transmission grid study that is being carried out, without which information we cannot make any sort of decision on any policy as to export. I wonder whether the minister, in view of the statement of last June 11 in which he mentioned that there would be meetings in August and September of this year, would now tell the house whether he is prepared to make some sort of interim progress report on what is happening in regard to this very important matter.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I think I informed the hon. member for Qu'Appelle at that time that we expected a report early in September. We have been told by the professional firm that is undertaking this work for us that there is a greater amount of work involved than they expected, and now we do not expect the report until early in December. I think it would be premature on our part to make an interim report of any kind until we see the entire report.

Mr. Hamilton: Following that answer, Mr. Speaker, I wonder whether I might ask a question, which is not facetious but is meant very seriously. Is the Minister of Northern Affairs and National Resources in close consultation with the Minister of Trade and Commerce in regard to any potential export of power, to keep him in touch with the findings of any committee that is studying the advantages of a transmission grid to move the power east and west rather than north and south?

Mr. Laing: I am quite certain, Mr. Speaker, that in connection with matters of policy in the export of power the opinions of my department go to the Minister of Trade and Commerce. In regard to the statement the minister made today, I am in complete concurrence with it in its spirit and its eventual execution. I am quite certain that the good of all the people of Canada will be borne in mind in the attempts of this department to maximize the use of Canadian water and at the same time do the best we can for development in Canada by making possible certain exports.

Inquiries of the Ministry

Mr. Hamilton: If I may be permitted to ask another supplementary question, Mr. Speaker, does the minister now appreciate the significance of my question on the relationship between the national power grid and the Columbia river?

Mr. Chevrier: Order.

Mr. Laing: Mr. Speaker, I was not unappreciative of its significance the first time the hon. member asked the question.

[*Later:*]

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I appreciate the problem which you have been having, but I might say that I have been seeking to catch your eye since the beginning of the question period, but have been badly obscured most of the time. My question, addressed to the Minister of Trade and Commerce, arises out of the statement he made today, and I feel it pertinent in view of the exchange between the hon. member for Qu'Appelle and the minister for northern affairs. I should like to ask the minister whether he will refer to a standing or a special committee of this house the statement on power policy which he gave the house today so that we may have the advantage of expert testimony in assessing and evaluating the policy announced?

Mr. Sharp: Mr. Speaker, may I say two things about this question. First of all, I should not have made this statement had it not appeared to the people of the country that some clarification of power policy was desirable, notwithstanding what has been said on the other side. Second, I put this statement on the record in full, so that it would be available to any committee, private citizen or group that wanted to have the relevant information.

LABOUR RELATIONS

GREAT LAKES TRUSTEESHIP LEGISLATION—
CANADIAN SHIP AT CHICAGO

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, can the minister of Labour say what the present position is regarding the bringing in of legislation to provide for a trusteeship; and second, whether within the last two or three days a Canadian ship in Chicago has been denied loading? What has been done in that connection? Have representations been made to the United States against this continued lawlessness that denies to Canadians the right to the use of the facilities of the great lakes?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the position with respect to the introduction of the trusteeship legislation is somewhat as follows. The search has been for an arrangement between the Canadian Labour Congress and the A.F. of L.-C.I.O. in the first instance to provide a method of dealing with the situation. The executive council of the Canadian Labour Congress is meeting in Ottawa today, and I have decided to wait until I get a formal communication from the congress as to their final disposition of the matter. Just as soon as that is received I think I can make an announcement quite quickly.

I am aware that the *John Ericsson* has not been loaded in Chicago, and while I cannot report for the Secretary of State for External Affairs I am also aware that this matter has been discussed with representatives of the United States government.

Mr. Diefenbaker: Is the minister in a position to say whether he made any representations, and what the reaction was?

Mr. MacEachen: I have discussed this matter with the officials of the labour department, to my recollection, and I have an indication of certain knowledge that the Canadian ambassador discussed this matter yesterday in the United States. I can only report that the reaction to these representations has been that the United States authorities will fully comply with United States law with respect to this situation.

As the right hon. gentleman knows, the case of the *Howard L. Shaw* was before the courts, and Judge Parsons dealt with the situation by levying fines for non-compliance with the non-boycott order, so to speak. To my knowledge similar legal action has not taken place yet with respect to the *Ericsson.*

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the fact that those most directly concerned with the problem of shipping on the great lakes are the seamen, is the government taking steps at the present time to enforce section 157 of the Canada Shipping Act prohibiting the operation of hiring halls by unions, as recommended by Mr. Justice Norris in his recent report?

Mr. MacEachen: Mr. Speaker, it seems to me that the establishment of a trusteeship itself would take into account this particular problem of hiring halls, and once a decision has been announced with respect to the date of bringing the legislation forward I think an opportunity will be provided to deal with that particular point.

Mr. Thompson: A supplementary question. Not only is it our seamen but our farmers

and the Canadian people at large who are suffering from this situation.

Some hon. Members: Order.

Mr. Thompson: Can the minister assure us there is going to be some immediate action in regard to the trusteeship, or how long is the situation going to continue as it is?

Mr. MacEachen: As I indicated to the Leader of the Opposition, it is my expectation that today I will be receiving a formal communication from the Canadian Labour Congress as to their disposition with respect to the private arrangement. When I have received that formal communication I will then be in a position to proceed with the public trusteeship legislation, I would expect.

[*Later:*]

Mr. MacEachen: Mr. Speaker, while I am on my feet I might tell the house and the Leader of the Opposition that I have received an indication from the Canadian Labour Congress that efforts to secure a voluntary solution to the lakes problem have been unsuccessful.

Mr. T. C. Douglas (Burnaby-Coquitlam): In view of the statement by the Minister of Labour to the effect that the Canadian Labour Congress has notified him that there is no disposition to proceed with a private trusteeship plan, may I ask the hon. gentleman how soon we may expect him to proceed with the introduction of legislation for public trusteeship?

Mr. MacEachen: I believe the government is in a position to move at the earliest possible moment. The exact date will depend on arrangements made by the leader of the house and on the consultation he holds.

WHITE PASS AND YUKON RAILROAD—EFFORTS TO SETTLE STRIKE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Labour. In view of the international complications of a strike of the craft and shop workers on the White Pass and Yukon Route railroad, I wonder whether the minister has caused any assistance to be given by his officials to those negotiators who are trying to settle this strike, which is very seriously affecting the economy of the Pacific northwest?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I will take the hon. gentleman's question as notice and report to him tomorrow.

Mr. Nielsen: Mr. Speaker, I have a related question to ask the minister of northern affairs with respect to the railroad strike in the Yukon, British Columbia and Alaska, of which he is aware. In view of the answer which he gave to my question to him concerning discussions which were being held with officials of the government of the state of Alaska, could he now clarify his answer as reported on page 3208 of *Hansard* and inform the house whether or not any such discussions have taken place, in view of the fact that it may be coming increasingly important to keep this road open all winter?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): As the hon. member knows, there are a great number of considerations to be borne in mind in dealing with transportation there—considerations of tremendous consequence to Canada. As I have informed him, some five senior officials of various departments who have been charged with holding conversations, not with making policy, have been in the area. Until they report, and until some action is taken by the government, the situation remains unchanged. In other words, these men were sent up there to have conversations and make a report to the government, out of which policy may come. But they cannot create policy.

PENSIONS

REPORTED INTENTION TO INCREASE BLIND AND DISABLED PAYMENTS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to address a question to the Minister of National Health and Welfare. Is the note by the editor appended to a letter to the editor in one of our newspapers correct when it says that the Ottawa government is seeking the necessary provincial co-operation to raise blind and disabled pensions at the same time as the $10 increase in old age pensions?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I am sure my hon. friend was present in the house last week when I answered a similar question and advised that this matter is under consultation with the provincial governments at the moment.

Mr. Starr: A supplementary question. Along with this, is the government prepared to grant the request made on behalf of the blind for a specific allowance of at least $25 per month free of means test to help to cover the extra costs arising from blindness?

Miss LaMarsh: I am sure my hon. friend will understand that while matters are under consultation with provincial governments I should not comment further.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. From

how many provinces has the minister received a favourable reply with regard to an increase in blind pensions, disabled pensions and old age assistance pensions?

Miss LaMarsh: I do not remember offhand. This was discussed, of course, at the last conference dealing with pensions, and it may be on the agenda for the November meeting. I am not sure whether this has been decided yet.

Mr. Starr: A further supplementary question. Is it the intention of the government to put into effect the increase to the disabled and the blind at the same time as the $10 increase to old age pensioners?

Mr. Douglas: A supplementary question. In the event of there being some delay until the federal-provincial conference is held, will it be understood that the increase will be retroactive to the 1st of October?

Miss LaMarsh: Mr. Speaker, I do not know that that has happened in the past. I have not looked into it.

PRIVILEGE

MR. LANGLOIS—CLARIFICATION OF EXPRESSION USED IN DEBATE

On the orders of the day:

[*Translation*]

Mr. Speaker: The hon. member for Megantic (Mr. Langlois) has advised me that he wanted to rise on a question of privilege. Consequently, he now has the floor.

Mr. Raymond Langlois (Megantic): Mr. Speaker, it will not be very long. It is about an interjection during the speech I made last night. The interjection came from the hon. member for Longueuil (Mr. Côté) and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), and it had to do with the word "tripotage". They insinuated that I had used that word wrongly and they were not even sure it was in the dictionary.

I used the word "tripotage" in the sense of "speculating". According to the *Petit Larousse*, here is the meaning of "tripotage": unclean or foul tasting mixture. F.: embezzlement, cheating, scheming, influence trading.

Therefore, I would suggest to the hon. member for Joliette-L'Assomption-Montcalm that he speak up only when he knows what he is talking about.

[*Text*]

Mr. Speaker: I must say I do not see any immediate urgency in that so-called question of privilege. Perhaps it is an explanation that could be requested later, but there is no reason to interrupt the orders of the day.

[Mr. Douglas.]

MR. RICARD—ALLEGED INCORRECT ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I rise on a point of privilege.

In the order paper under date of October 2 last, there appeared the following question in my name:

Since the establishment of the agricultural prices stabilization board and up to March 31, 1963, what has been paid as a grant of 25 cents per hundredweight of milk to the operators of each of the following factories:

And the list of various factories follows: I insist on the word "operator" of the factories.

The answer read as follows:

The agricultural stabilization board does not make grants of 25 cents per hundredweight for milk to the operator of any processing plant.

Plants are reimbursed for payments made to individual producers on behalf of the agricultural stabilization board.

The reason I raise the question of privilege is this: it seems that the answer to the question was based on the English version as printed in the English order paper. The word "operator" of a factory is clear for all those who know what a processing plant is. For them, the word "operator" means the producer.

I feel that the answer is not accurate and I would ask my question be automatically put back on the order paper so that it may be answered.

[*Text*]

Mr. Speaker: The matter raised by the hon. member seems to me more in the nature of a complaint than a question of privilege. However, it is within the hon. member's power, jurisdiction and right to replace his question on the order paper.

Mr. Ricard: Mr. Speaker, is it automatically replaced on the order paper, or do I have to do that?

Mr. Speaker: I suggest that the hon. member do it himself.

Mr. Ricard: I will be doing the work of somebody else because somebody made a mistake.

EXTERNAL AFFAIRS

HAITI AND CUBA—OFFER OF ASSISTANCE FOLLOWING TORNADOES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to direct a question to the Prime Minister but in his absence may

I direct it to the Minister of Justice, who I assume is leading the government side of the house. Is the government of Canada giving any consideration to offering assistance to Haiti and Cuba which have suffered very grievous damage as the result of tornadoes in the past few days?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I understand that the Secretary of State for External Affairs has the matter under consideration at the moment.

VIET NAM—INQUIRY AS TO CANADIAN DIPLOMATIC RELATIONS

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, my question was meant for the Secretary of State for External Affairs but, since he is absent, I shall direct it to the Acting Prime Minister.

Now that Washington has decided to discontinue its financial aid to Viet Nam, could the minister give us some information about the present diplomatic relations of Canada with the Vietnamese government?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I shall take the question as notice and bring the matter to my colleague's attention.

[*Text*]

TRADE

RUSSIA—REQUEST FOR TABLING OF AGREEMENT

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): I should like to direct a question to the Minister of Trade and Commerce. In view of the fact that the Russian-Canadian trade agreement has been signed for over three weeks, would he consider following the example of the minister of trade and commerce in 1960 by tabling in the house that agreement and all the documents that go along with it?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yes. It had been my intention to table it today, but I became engaged in these signing ceremonies with the Bulgarian delegation and I did not bring my documents with me. They will be tabled immediately.

Mr. S. J. Korchinski (Mackenzie): May I ask a supplementary question. Are transcripts of the negotiations between the Canadian wheat board and the Russian negotiators available relating in particular to the possibility of shipping wheat through Churchill? Will the minister make these available for examination?

Mr. Sharp: I intend to table, probably tomorrow, copies of the trade agreement between the Soviet union and Canada and copies of the undertakings in respect of the purchase of wheat. Contracts between the Canadian wheat board and other countries are privileged documents which have never been revealed, and I do not intend to reveal them now.

Mr. Hamilton: May I ask a supplementary question. I know it is not customary to divulge any secret documents. However, I should like to ask whether, under the agreement made with the Russians, the Russians have the right to susbtitute other purchasers of wheat if there is any amount of our grain overdue. In other words have they a clause in the contract or an understanding with the government that if the strike continues they can divert their purchases to another country?

Mr. Sharp: My understanding is that there is in this contract, as there is in all wheat board contracts, a strike clause. I do not think there is any reference to diverting purchases to another country.

Mr. Robert Simpson (Churchill): May I ask a supplementary question. Can the minister tell the house whether those who negotiated the recent trade agreement on behalf of Bulgaria were made fully aware of the tremendous advantages of shipping through the port of Churchill?

Mr. Sharp: I am sure, Mr. Speaker, that partly as a result of the efforts of my hon. friend and partly as a result of the efforts of others of us on this side of the house, the virtues of Churchill are very well known. In so far as these particular negotiations that were concluded today are concerned, the particular points of purchase or the particular ports through which the wheat would be shipped have not yet been discussed. I can assure him that the wheat board, as usual, will make the advantages of shipping through Churchill known to the Bulgarians.

Mr. Korchinski: May I ask a supplementary question. Has the minister any intention of abandoning the port of Churchill, since it is obvious the government has no intention of telling anybody of its advantages?

Mr. Sharp: As I said to one hon. gentleman on the other side the other day, I expect the movement of wheat through Churchill will be at a record this season, greater than ever before in history even when my hon. friend's party was in power.

Mr. Olson: May I ask a supplementary question?

Mr. Simpson: May I ask a supplementary question?

Inquiries of the Ministry

Mr. Speaker: I must point out that supplementary questions are not in fact recognized according to standing orders. They are building up through customary recognition in this house. When we have six, seven or eight supplementary questions, then I believe it is becoming a technique for asking for information when a question should be asked directly. May I suggest to hon. members that they ask questions directly and not use the supplementary question technique.

Mr. H. A. Olson (Medicine Hat): I assure you, Mr. Speaker, that my question is a valid supplementary question arising directly out of the reply the Minister of Trade and Commerce gave. He mentioned that he was not going to reveal the details of the agreement between the Canadian wheat board and the Russian negotiators. I should like to ask him, therefore, if Russia has the privilege of refusing to accept wheat deliveries outstanding if the Soviet union is dissatisfied with the Canadian evaluation of Russian exports to Canada, as was reported in the *Globe and Mail* a few days ago.

Mr. Sharp: Well, Mr. Speaker, I saw the report to which my hon. friend is referring, and I was puzzled as to what the writer was talking about. As I see the situation it is open to both countries to denounce the treaty at any time; that is a right that both countries have. Of course if the Soviet union want to denounce the trade agreement they can do it, and so can we. This is the situation and always has been in respect of any treaty signed by any two countries.

[*Later:*]

Mr. Simpson: I have a question for the Minister of Trade and Commerce. The hon. gentleman has referred to the record year of grain shipments out of Churchill. I assure him we are always pleased to hear this, as we have been in the last five or six years. Is the minister aware, however, that despite the fact that insurance regulations covering shipping out of Churchill do not expire until October 20, there will be no further grain shipments this month due to a lack of further shipping orders?

Mr. Sharp: I thank the hon. member for the information he has given me on this occasion.

INQUIRY OF THE MINISTRY

REPORTED SPEECH BY MINISTER OF NATIONAL DEFENCE

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, now that we have talked about wheat, we will go on to something else.

[Mr. Simpson.]

I should like to direct a question to the Minister of National Defence. In view of the fine statements of policy which he made yesterday before the chambers of commerce gathered in Quebec city, and with which I fully agree, could the Minister of National Defence tell us what steps he intends to suggest and take in order that Canada can maintain its political independence, its economic independence and its military independence?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): I am sure that the answer to this question will become obvious as time passes.

[*Later:*]

Mr. H. F. Jones (Saskatoon): Mr. Speaker, I would like to ask the hon. member for Trinity—not in his role as Minister of National Defence but rather as incipient finance minister—does his recent excursion into economic affairs last night at Quebec, wherein he represented as an antidote to American takeover—

Mr. Speaker: Please pose your question.

Mr. Jones: I am putting my question.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I submit, on a point of order, that Your Honour's predecessors have ruled on many occasions that ministers may only be questioned on orders of the day about their departmental responsibilities, and it is contrary to the rules of the house to ask ministers questions on extraneous matters.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): In connection with the point of order I am sure that the statement made by the hon. gentleman is not in accordance with the facts, because yesterday the Minister of National Defence gave this country the benefit of his wisdom, and what is being asked is whether what he said represents government opinion, decision, or intention. Surely the house has the right to have the benefit of the wisdom this hon. gentleman made available to all of us.

Mr. Jones: Well, Mr. Speaker, to continue with the question—

Mr. Pickersgill: Mr. Speaker—

Mr. Jones: I am speaking on the point of order raised by the hon. member.

Mr. Pickersgill: Then I apologize to the hon. gentleman.

Mr. Jones: The hon. member for Trinity made a statement yesterday to the Canadian Chamber of Commerce wherein he recommended certain policies which he said were

designed to increase the savings available for investment in this country. That policy is completely contrary to the effects of the Pearson pension plan—

Mr. Speaker: Order, please. I know the hon. member himself is a student of procedure, and I was hoping he would rephrase his question. But, as a matter of fact, it is well established in this house that ministers may be questioned with regard to their administrative duties, but if a question concerns policy then that is a matter for the government to answer.

Mr. Jones: The simple question I am asking the minister is whether this is a departure in government policy, or is the government adhering to its announced policy as set forth in the Pearson pension plan? This is a very simple question, and a very vital and urgent one for the voters of the country to have answered.

Mr. Pickersgill: Mr. Speaker, I wish to say a further word on the point of order, because it seems to me that while the question is a simple one, the point at issue is a very important one as we would never get business of the house done if members could be asked questions about anything that came into someone's mind.

I recall very well an occasion when I was sitting on the other side of the house when I sought to ask Hon. Mr. Browne, who was then a minister without portfolio, a question about a speech he had made with reference to matters of importance in Newfoundland. Exception was taken by the government of the day on the ground that it was not a part of his administrative responsibilities.

Mr. Speaker Michener sustained the government on that occasion, and my question was ruled out of order. I submitted at once to His Honour's decision on the matter, and I submit that that is the proper practice of the house and should be sustained on this occasion.

Mr. Jones: Mr. Speaker, I would be very glad to submit at once wholeheartedly to your ruling, and direct the question to the Acting Prime Minister. Do the views as expressed by the Minister of National Defence yesterday in Quebec represent government policy, or are the views as expressed by the Minister of National Health and Welfare in relation to the Pearson pension plan the views of the government?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, there are two things I would like to say in reply to that question. First, I doubt very much, notwithstanding what has been said from the other side, whether the question is in order; and second, the speech speaks for itself.

Some hon. Members: Oh, oh.

Mr. Bell: Cabinet solidarity.

POWER

COLUMBIA RIVER—INQUIRY AS TO RATIFICATION OF TREATY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I intended to address this question to the Secretary of State for External Affairs, but in his absence I shall address it to his proxy. My question is based on information concerning the Columbia river treaty which I have received from the United States, because we cannot get any here.

In view of the statement by Mr. Earl Coe, director of the Washington department of conservation, that the prospects for Canadian ratification of the Columbia river treaty have been dimmed by the re-election of Premier W. A. Bennett, would the minister inform the house whether the government is still as optimistic about the progress to be made with this treaty as indicated by the Secretary of State for External Affairs on previous occasions?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, in the absence of my colleague the Secretary of State for External Affairs all I can do is draw this question to his attention.

Mr. Herridge: May I ask a supplementary question. Can the Acting Prime Minister inform—

Mr. Speaker: I am sorry, but if the hon. member wishes to pose another question, let him do so. In view of the reply of the minister I do not see how he can originate a supplementary out of it.

Mr. Herridge: I wish to pose another question. In view of reports from Washington in my possession that United States negotiators are proposing to drop the high Arrow from the Columbia river treaty, can the Acting Prime Minister substantiate this information?

Mr. Chevrier: I am not in a position to do that. I have not seen the report. As I said in reply to the main question, since the hon. member considers this a supplementary question, I shall draw it to the attention of my colleague.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

EXTENSION OF BILINGUAL POLICY TO CROWN CORPORATIONS

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I should like to put a question to the Acting Prime Minister. Could he tell us whether the government intends to have other crown corporations and the various departments of the federal administration take up and put into effect the plan devised in the C.N.R. by Mr. Donald Gordon for the recruiting and promotion of French speaking employees, as well as the methods used by that crown corporation to promote bilingualism on a practical and rational basis?

Hon. Lionel Chevrier (Minister of Justice): I am glad to learn that the hon. member for Three Rivers approves the policy initiated by the C.N.R. concerning bilingualism. With regard to this policy being applied to other crown corporations, I may tell him right away that the matter is under review.

Hon. Paul Martineau (Pontiac-Temiscamingue): Does the program include the appointof French speaking vice presidents?

Mr. Chevrier: I imagine that the question of the hon. member refers to crown corporations. If such is the case, crown corporations have only appointed presidents up to now and very few vice presidents. If the hon. member refers to C.N.R. vice presidents, I am convinced that C.N.R. authorities intend to increase the number of those vice presidents.

[*Text*]

UNEMPLOYMENT INSURANCE

REQUEST FOR EXTENSION OF BENEFITS TO AGRICULTURAL WORKERS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I wish to direct a question to the Minister of Labour. Could the minister inform the house whether the government intends giving consideration during the present session to having the Unemployment Insurace Act amended so that unemployment insurance coverage can also be provided for agricultural employees, in accordance with the recommendations of the Gill report?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, as I understand it the Gill committee recommended the inclusion of farm workers under the Unemployment Insurance Act, provided certain administrative difficulties were cleared up. This matter naturally is being given very careful consideration, as are any proposals before presentation to parliament.

Mr. H. W. Herridge (Kootenay West): As a supplementary question, would the minister inform the house whether consideration is also being given to including the employees of tree farmers in any amendment to the legislation, because tree farming is allied to agriculture?

Mr. MacEachen: Mr. Speaker, I am sure that the review of the act will include consideration of all possible classes of employees that might be brought under coverage, and that would apply to this particular category.

INQUIRY AS TO IMPLEMENTATION OF GILL REPORT

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I wish to direct a question to the Minister of Labour. In view of the statement made by Mr. C. A. L. Murchison, commissioner of the unemployment insurance commission, at Quebec yesterday, that if certain recommendations of the Gill report were implemented the unemployment insurance fund would be lifted out of the red, can the minister state what are the reasons for the delay in the government implementing such recommendations?

Hon. A. J. MacEachen (Minister of Labour) Mr. Speaker, there is no delay whatever in implementing the Gill committee report. As my hon. friend knows, it is a very important document that affects the welfare of all insurable employees in Canada, and naturally very careful consideration must be given to it before introducing a measure that would have far reaching effects.

Mr. Martineau: Would the minister convey that information to his commissioner, Mr. Murchison?

LABOUR CONDITIONS

BRANTFORD, ONT.—DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, I would like to direct a question to the Minister of Industry. My question arises out of the minister's answers to my questions of September 30 and October 1 concerning the designation of Brantford as a depressed area. I wonder has the minister given this very serious matter further consideration, and is he now prepared to make a statement?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, this matter is continuing to receive consideration, and I have nothing to add at the moment to what has already been said.

ADMINISTRATION OF JUSTICE

REQUEST FOR STATEMENT ON UNIVERSITY SECURITY INVESTIGATIONS

On the orders of the day:

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Justice. Has the minister received a request from the national federation of Canadian university students seeking a government statement regarding on-campus security investigations and, if so, will the government make a statement to parliament on this problem?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, it is a fact that I did see a report in the press of a discussion that had taken place at a meeting of the federation of students, but so far as I am concerned I have received no representations from them at this time.

WORLD FAIR

INQUIRY AS TO OPENING BY HER MAJESTY THE QUEEN

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Can he tell the house whether he is aware of a certain rumour to the effect that Her Majesty Queen Elizabeth II would preside at the official opening of the world exhibition in 1967?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I have heard many rumours until now about the world exhibition, but this is a new one. However, I shall report the matter to the authorities of the exhibition.

INQUIRY AS TO REPLACEMENT OF DIRECTOR

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Public Works. Is it the intention of the government to soon replace Mr. Claude Robillard, who resigned as managing director of the world fair?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, when Mr. Claude Robillard has been replaced, I shall make an announcement in the house.

[*Text*]

FISHERIES

NORTH PACIFIC TREATY —REQUEST FOR TABLING OF COMMUNIQUE

On the orders of the day:

Hon. J. A. MacLean (Queens): Mr. Speaker, I would like to pose a question to the Minister of Fisheries. Will the minister, when he makes the statement which he promised for tomorrow on the conference recently held in Tokyo regarding the extension of the north Pacific fisheries treaty, consider tabling the joint communique which was issued when that meeting adjourned, with a view to having it printed in *Hansard*?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, as I informed the house on Friday last I expect to make a complete statement tomorrow. The chairman of the Canadian delegation is expected to arrive in Ottawa this evening, and I want to discuss the situation with him. I will take into consideration the question of tabling the joint statement that was made following the meeting in Tokyo.

HOUSING

REPORTED REDUCTION IN LOANS AVAILABLE FROM BANKS

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Minister of National Revenue.

Since in 1960 chartered banks had practically ceased granting the usual housing loans provided for in the National Housing Act—they authorized only four such loans in 1962—does the minister know if they now have a more liberal policy in this field?

[*Text*]

Hon. J. R. Garland (Minister of National Revenue): Mr. Speaker, the National Housing Act has no jurisdiction over the interest rate on loans by the chartered banks of this country. This is controlled by the Bank Act, which limits their interest to 6 per cent, as against the National Housing Act ceiling of 6¼ per cent.

Mr. Speaker: May I point out to hon. members that it is now four o'clock, and I have a line-up—I use that word advisedly—of at least 15 questions, some of them from hon. members who have already asked two or three questions. May I suggest to hon. members that if we are to accomplish any work at all today perhaps some of these questions could and should be put on the order paper, and the others might be delayed until tomorrow.

Inquiries of the Ministry

Hon. Michael Starr (Ontario): Mr. Speaker, in view of your statement and your having brought to the attention of hon. members the matter of questions, may I point out that Your Honour did not bring to the attention of the house the fact that the ministers took up one hour in the statements they made in this house.

Some hon. Members: Hear, hear.

IMMIGRATION

BULGARIA—INQUIRY AS TO ASSISTANCE TO IMMIGRANTS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I have a question for the Acting Minister of Citizenship and Immigration. Now that Canada and Bulgaria have signed a most favoured nation trade treaty, I am wondering whether the minister will assist the entry into Canada of citizens of Bulgaria who are prevented by administrative procedures from coming to Canada at the present time?

Hon. J. W. Pickersgill (Acting Minister of Citizenship and Immigration): Mr. Speaker, I think that is a very appropriate question for the order paper.

AIR TRANSPORT

REPORTED STATEMENT RESPECTING FARE REDUCTIONS

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I direct my question to the Minister of Transport. Could he give us information as to the position the government intends to take concerning the recent statement made by Mr. William Hildred, the general manager of the international air transport association in Rome, to the effect that tariff reduction would solve air transport problems?

Mr. Jean-Charles Cantin (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I shall take this question as notice.

[*Text*]

FINANCE

REPORTED STATEMENT BY MINISTER RESPECTING BALANCE OF PAYMENTS

On the orders of the day:

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I wish to direct a question to the Minister of Finance regarding a statement in respect of the imbalance of trade and payments between the United States and Canada. The statement I refer to is a Canadian Press news article headed "U.S. charge denied by Gordon". May I preface this question with a few remarks taken from the article:

> Gordon became concerned by a New York *Times* report published Monday—

Some hon. Members: Order.

Mr. Woolliams: Mr. Speaker, with the greatest respect to those wolves who are trying to howl me down, I did say that I wanted to preface this question, which I think is important, with a short quotation, and I should have thought that I could be heard. I should like to preface the question with a short remark.

Some hon. Members: Order.

Mr. Woolliams: It is a remark made by the Minister of Finance. He said:

> "We are not trying to eliminate the deficit with the U.S. altogether," Gordon said. "We are not trying to resolve our payments deficit on a bilateral basis only. We believe in multilateralism as strenuously as always".

Is that the policy of the government and, if so, how does he reconcile that policy with the statement made by Robert Roosa, the under secretary of the United States treasury?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, that is the policy of the government, and I do not have to reconcile it with anybody else's statement.

CANADA COUNCIL

INQUIRY AS TO UNIVERSITY SCHOLARSHIPS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I wish to direct a question to the Minister of Justice, in his capacity of Acting Prime Minister. Could the minister tell the house if Dr. Trueman, chairman of the Canada Council, was accurate when he told the Rotary club of Toronto that the government plans to grant important scholarships to students wishing to obtain their B.A. or B.Sc. degrees?

Hon. Lionel Chevrier (Minister of Justice): With all due deference to my hon. friend, it seems to me that the question is not pressing, and should be placed on the order paper.

Mr. Pigeon: On a point of order. I have great regard for the opinion of the Minister of Justice, but here I find myself at variance with him.

[*Text*]

NATIONAL MUSEUM

STATEMENT ON REPORTED RESIGNATIONS

On the orders of the day:

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, yesterday the hon. member for Port Arthur asked me a question concerning resignations from the museum staff. I have prepared a statement, but as it is about two pages in length I wonder whether he would agree, and if I could obtain consent, to have it printed in *Hansard*?

Mr. Speaker: Is that agreeable to the house?

Some hon. Members: Agreed.

Mr. Churchill: On a point of order. Mr. Speaker, the printing of statements in *Hansard*, the contents of which are unknown to the house, would establish a precedent which I think should not be established at this time. If it is an official document, then that is a different thing; it can be put in as an appendix. But if it is just an answer to a question, then it should be tabled so that it is there available for the hon. member who asked the question. It should not be printed in *Hansard*.

Mr. Laing: That being the case, Mr. Speaker, I will read the statement.

Over the past months letters of resignation have been received from four senior officers, including the director of the natural history branch. In resigning, two of these officers indicated that they wished to return to university teaching, another to take up a particularly attractive research appointment in Mexico, and the director to accept a professorship at the University of Toronto and a senior appointment at the Royal Ontario museum. There was not, in short, any common purpose in the resignations. While I regret the departure of these gifted scientists, I think it is a healthy thing that there is a frequent interchange of senior personnel between the museum and the universities, which are both part of the academic community. I would like to acknowledge publicly the important contributions which Dr. Russell, Dr. MacNeish, Dr. McFeat and Dr. Oschinsky have made to the scholarly work of the museum, and to wish them every success in their future careers.

ANNOUNCEMENT OF APPOINTMENT OF DIRECTOR OF HUMAN HISTORY BRANCH

On the orders of the day:

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): At this time, Mr. Speaker, and as part of the interchange

I mentioned earlier, I would like to announce the appointment of Dr. Richard Glover, professor of history at the University of Manitoba, as director of the human history branch of the museum. Dr. Glover, who will take up his appointment at the beginning of the new year, will be responsible for the development of the museum of Canadian history as a new component of the national museum.

TRANS-CANADA AIR LINES

REQUEST FOR REDUCED RATES FOR MILITARY PERSONNEL

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Minister of Transport in connection with a request which was submitted to T.C.A. by Canadian servicemen. Could the latter benefit from reduced fares when they are on leave?

[*Text*]

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

PUBLIC SERVICE

OTTAWA—RESIDENCE REQUIREMENT IN ADVERTISEMENT

On the orders of the day:

[*Translation*]

Mr. Alexis Caron (Parliamentary Secretary to Prime Minister): Mr. Speaker, I wish to direct a question to the Secretary of State, as the minister responsible for the civil service commission in the house.

A competition poster published by the civil service commission concerning a position in Ottawa states that the applicants must live in Ontario. That actually eliminates all people from Hull and the vicinity. Therefore, I would ask the Secretary of State to kindly inform the civil service commission that that sort of thing was done away with a long time ago and should not be brought back.

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I am sure the civil service commission will take account of the observations just made by my hon. friend from Hull.

HOUSE OF COMMONS

INQUIRY AS TO FRENCH REPORTING AND TRANSLATION STAFFS

On the orders of the day:

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, my question concerns you directly, but may I have it relayed through

the Secretary of State. In view of the problems which have been arising in the last days in various parliamentary committees, would it be possible to consider having the house provided with its own complete staff of translators and reporters, instead of depending on the bureau for translations on the one hand, and on the division of French debates reporters on the other hand?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I am well aware of the difficulties to which the hon. gentleman has referred, and I am seeking to do everything that can possibly be done to meet them. I hope to be able to make a statement to the house very shortly.

NORTHERN AFFAIRS

HAINES ROAD—INQUIRY AS TO IMPOSITION OF TOLLS

On the orders of the day:

Mr. Frank Howard (Skeena): I wish to direct a question to the Minister of Northern Affairs and National Resources relating to the so-called Haines cut-off. Is it the hon. gentleman's intention to institute a system of tolls on this road to cover the cost of keeping it open on a year round basis?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): No consideration has been given to such a proposal.

OLD AGE SECURITY

PROVISION FOR INCREASE IN AMOUNT OF PAYMENT

Hon. Judy LaMarsh (Minister of National Health and Welfare) moved the second reading of Bill No. C-98, to amend the Old Age Security Act.

Mr. Monteith: I wonder whether the minister has a statement of any kind to make at this time?

Miss LaMarsh: I made a statement at the resolution stage. The bill is now before the house, as it has been for several days. It consists of only two clauses, the first giving the increase and the second dealing with the method of financing, and I suggest that in order to leave sufficient time to allow hon. members opposite to say whatever they wish to say about the bill there is no necessity for me to make a further statement on this occasion.

Hon. J. W. Monteith (Perth): I agree with the minister's comment that this is a brief bill containing only two clauses, the first indicating the increase in the amount as of October 1 and the second providing the means by which this increase is to be financed.

[Mr. Marcoux.]

I feel I cannot let the occasion pass without repeating a statement I made at an earlier stage to the effect that we, on this side of the house, had advocated this particular move —the bringing in of this bill separately—as far back as July 18. I repeat, also, that if this had been done at that time, and if our advice had been followed, the recipients of old age security benefits would have received this $10 increase considerably earlier. We are pleased to see that the government has now adopted our proposal and dissociated this part of the pension plan from the over-all Pearson plan, something which should have been done in the first place.

This is something which was promised by the government during the election campaign. I am convinced it is being put into effect, now, only because of prompting from this side of the house. In my opinion this whole question has been mishandled in much the same way as was the budget. First of all, the government came out with a grand scheme in a hurry, and then it backtracked under pressure. I accuse the minister of doing the same thing now.

Clause 2 of the bill deals with the financing of this proposal—the levying of 4 per cent of a taxpayer's taxable income for the year to a maximum of $120. In speaking on the resolution stage, the parliamentary secretary to the Minister of Finance (Mr. Benson) said the total deficit in the fund as at March 31, 1964 would be $106 million. He went on to point out that in the year 1964-65 there would probably be receipts from the new tax amounting to some $93 million and that about $116 million would be paid out. However, some increase in revenue from the sales tax on building materials and supplies would probably wipe out any deficit in that year. Thus, it seems to me that for a year and a half hence, at least, taking the figures of the parliamentary secretary as accurate, there will be a deficit in this fund of $106 million. The hon. gentleman gave estimates of certain increases in revenue and I ask him whether he had taken into consideration the natural increase to be expected in the numbers of those over 70 who would be receiving old age security payments a year and a half or two years from now. My main criticism is simply this. The government said they were going to increase old age security payments without any increase in taxes. This is not so.

Mr. Grafftey: Broken promises.

Mr. Monteith: They are increasing taxes $93 million, according to the parliamentary secretary's own estimate, in the year 1964-65 and roughly $100 million a year thereafter. They no sooner got into power than they clamped a sales tax on building materials

and supplies and now we have a 1 per cent increase in personal income tax up to a maximum of $120. This may not be the time to do it, but with all these increases in taxes I certainly must predict an over-all record budgetary deficit. However, that can be discussed at some time in the future.

We are anxious to get this legislation through, and we have been ever since it came before the house. We are more than happy to support the bill. I suggest very forcefully that if it had not been for the actions of the Leader of the Opposition on July 18 the older citizens of Canada would not be receiving this increase even as of the late date of October 1, 1963.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, the hon. member who has just spoken seems to wish to leave the impression with the House of Commons and the people of Canada that certain statements made by the Leader of the Opposition (Mr. Diefenbaker) are the reason that the $10 increase is now being proposed—

Mr. Monteith: Made in this house.

Mr. Olson:—although it was originally linked with the Canada pension plan introduced earlier this year. I should like to suggest that perhaps some of the problems encountered by the government in their negotiations with the provincial governments may have had a great bearing on bringing in this increase separately. I think that some of the very real problems they did have in discussing the over-all pension plan with the provinces should have been anticipated and that negotiations should have been carried on long before the resolution was even introduced in the house.

We know, of course, that the Minister of National Health and Welfare (Miss LaMarsh), along with her colleagues, got caught in their 60 days of decision propaganda, if you want to call it that. Because of the 60 days of decision, as they prefer to call them, I think there was undue haste in bringing in the over-all Canada pension plan. I believe they have now come to realize that the pension plan is of such magnitude it is absolutely necessary that some agreement be reached with the provinces rather than bringing it in in an ill-conceived way, and this realization should give them some kind of guidance in trying to convince the electorate these things can be done quickly.

We support the bringing in of the $10 increase separately, and while it may be another violation of Liberal election propaganda I personally think it is desirable that the amount of additional taxes necessary to pay for it should be fastened right to the bill. I say that because I think there is growing concern in Canada that political parties have on a number of occasions tried to outbid each other in offering benefits without bothering to tell the people how much it is going to cost them. Now that we have legislation before us offering increased benefits, with the bill for these benefits attached to it, perhaps this will sober the response of the electorate to those political parties who offer benefits, and then worry about paying for them with deficits such as we have seen in the last four or five years.

I do not wish to take a great deal of time. I believe that all parties in the house can support the bill and I do not think there is going to be any division, because members voting for it will also have to assume the responsibility of making provision for the collecting of the money to pay for these benefits.

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I wish to speak briefly on second reading of the bill, not to repeat the arguments that were advanced at the resolution stage but to develop a point of principle which was touched on but not elaborated upon by the hon. member for Winnipeg North Centre (Mr. Knowles). I do not refer to the principle embodied in clause 1 of the bill. This clause, as members realize, provides for an increase in the pension to $75 a month. With that proposal we and all other members of the house, I understand, are heartily in accord. We have expressed as clearly as we can our approval of this move. It is our view that this matter should be separated from the complexities of the Canada pension plan and dealt with promptly. Indeed, we think it should have been dealt with earlier than it has been.

However, Mr. Speaker, it is the principle involved in clause 2 of the bill that I wish to discuss. I wish to say that in our view the principle in clause 2 is wrong and ought to be changed. That clause deals with the question of how the additional moneys required for the increased pension should be raised.

It is our opinion that the method proposed in clause 2 of the bill is wrong in principle, regressive, and fails to take advantage of the possibility of giving a dynamic stimulus to the economy which is inherent in the proposed pension increase. The proposal in clause 2, as members will realize in reading the bill, is to increase the rate of tax on all taxable income to 4 per cent instead of the present rate of 3 per cent, and to raise the ceiling on the tax to $120 in place of the $90 under the present act.

We say that, assuming the decision of the government not to add to the prospective

deficit, the proper way to raise the funds necessary to finance the increase, assuming as the government does the necessity of doing so, would be to remove the ceiling and leave the tax at the same rate of 3 per cent. By removing the ceiling, now $90, and $120 in the proposal, roughly enough money would be raised—I have inquired into this—to pay the whole of the increase without any other addition to taxes.

If our plan were adopted the effect would be that the increase would be paid by taxpayers whose taxable income exceeds $3,000 a year or whose actual income, to take an average case, is in the neighbourhood of $5,000 a year. Our proposal would relieve income taxpayers below that figure of any additional burden. We believe this solution would be economically wise and socially just.

When this measure was first introduced in the house in 1951 by a previous administration the hon. member for Winnipeg North Centre, the same hon. member for Winnipeg North Centre who sits in the house today, made these remarks. I am not going to quote extensively from what he said, but as found on page 397 of *Hansard*, second session, 1951, he said:

> I refer in particular to his statement—
>
> The statement by the minister of finance.
>
> —that this 2 per cent personal income tax is to have a ceiling of $60 a year. That means that anyone who has taxable income—and I emphasize the words "taxable income"; that is, income over and above his personal and family exemptions—of more than $3,000 a year, will pay no old age security tax on the portion of his income that is above that $3,000. I regard that situation as grossly unfair. It means that the bulk of the burden of financing the old age security plan will be met through the sales tax on everybody, including those who cannot afford to pay it, and through the income tax on the middle income group, those in the brackets where they have taxable income of between $2,000 and $3,000 a year.

Later on page 398 of *Hansard*, the hon. member is reported as saying:

> The Minister of Finance comes along today and tells us that the principle of excluding upper income has been included in this plan, with the result, as I say, that people who have over $3,000 of taxable income will not pay any old age security tax on that portion of their income above $3,000 a year. I think that is socially and economically wrong. I think it is completely indefensible, and for my part it will have to be fought as hard as we can fight it when we get to that part of the bill.

I venture to repeat what the hon. member then said made good sense. If it made good sense then, it makes even better sense today, and for this reason. Placing the burden of this additional and necessary tax on the lower and middle income groups and relieving the upper income groups by maintaining the $120 ceiling is a regressive and uneconomic measure. The increase in old age pensions is not only a belated measure of justice to older people who are in need, it is also needed to give a fillip to the economy. This $10 will be spent largely by old age pensioners on consumer goods in small retail stores. This will be a dynamic impetus to a stagnating economy. Typical of this government, what they give with one hand they take away with the other. The imposition of the additional 1 per cent tax and the maintenance of the ceiling means that, in effect, the tax burden will be borne entirely by the people in the lower and middle income brackets. The taxpayers in the higher income brackets will go free. It is the people in the lower and middle income brackets, Mr. Speaker, who, it can be assumed, would spend their income in purchasing consumer goods. The effect of this tax, as proposed by the government, will be to reduce the purchasing power of this lower and middle income group, thereby undoing the good that is done, economically speaking, by the increasing of the old age pension.

Now, Mr. Speaker, this difference between the government and the members of this party represents a fundamental cleavage of opinion on principle. Apparently the Liberal party does not see the power of taxation as we do, as an instrument of social justice for the redistribution of income. We believe that social advances, such as increased and more adequate old age pensions and a national health plan are not only important in themselves, they are also a means for allowing the well-to-do to contribute their proportionate share to the provision of essential services for those who cannot afford to pay for them themselves. In other words, measures of social security should be financed in accordance with ability to pay. It should not be a principle, as we have it embodied in this particular act, that the well-to-do should be relieved of the burden and those in the lower brackets should be asked to assume that burden. In our opinion this is contrary to sound, fundamental principles.

To put the matter as simply as I can, the proposal which we make would put the burden of supplying the $115 million which is required upon those whose taxable income exceeds $3,000 a year and whose actual income, in most cases, would be in excess of $5,000 a year. The government proposal, on the other hand, is that the burden shall be borne by the taxpayers below the taxable income level of $3,000 or below the average income of $5,000. I have taken the trouble to ascertain that the proposal which I make, namely of removing the ceiling altogether and keeping the tax at the same rate would, financially speaking, produce roughly the same result.

I should like to illustrate the point I am making by referring to hon. members of this

house. Under the government's proposal, their contribution to this increase in the old age pension, or their total payment towards old age pensions, would be $120 because they would be able to take advantage of the ceiling proposed. Assuming they are married and without other dependants, under the proposal I make members of this house, with $12,000 of income and assuming $2,000 of deductions, would have to pay 3 per cent or $300. I merely give this as an illustration of the fact that those in the upper income brackets could well afford to assume this burden. Is there any member in this house who does not think it would be fairer if the increased tax required for this increase in old age pensions were paid by those who, like the members of this house, are in a position to have a higher income rather than that it should be paid by their constituents who, under similar circumstances, would have incomes of under $5,000 a year?

In conclusion, may I repeat that we in this party warmly and enthusiastically support that part of the bill which gives the overdue $10 to old age pensioners. However, we regret, and we will oppose, the method of paying for the increase proposed by this government. I refer, in other words, to the method which puts the burden on the lower and middle income taxpayers. We will oppose the exemption of the higher level of income from the burden of this tax. We say the method is economically indefensible and socially unjustifiable. If it is not too late, I appeal to the government to reconsider the method of financing this particular increase.

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I do not intend to speak at great length this afternoon but I should like to direct a question to the minister.

The other day I asked the same question but without any success. Yet, I am sure all hon. members are interested.

When will the hon. lady give a frank and direct reply to my question, which is really very simple?

When, on July 18 last, the minister introduced a plan here to establish a universal pension, was she or was she not aware of the plans of the Quebec premier, Mr. Lesage?

In my opinion, it is important that the house should get a straightforward answer from the minister today.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, many things have been said about this legislation amending the Old Age Security Act. I think that to reiterate that we are happy to see that the government intends to increase old age pensions, would be just a repetition of what everybody said before. Moreover, to state again that, on the other hand, we are much less happy, and even disagreeably surprised at the government's tax increase, would also be mere repetition.

Now, Mr. Speaker, this bill brings up the old age pension from $65 to $75, but we may wonder whether the tax which is increased at the same time as the old age pension, will help that whole group of people who are not yet 70 and who will have to pay it all their lives?

We are helping a group of people over 70, but those who are working hard to earn their living will have their taxes increased under the same legislation.

I wonder, Mr. Speaker, why this government did not find the opportunity, or did not think it advisable to introduce two bills, that is one to increase old age pensions and the other to increase taxes. Then, we would have been able to let the first one pass and to fight the other. But, under the circumstances, the government puts us more or less before the alternative of either rejecting the old age pension increase or accepting higher taxes. We have to choose the package deal; we cannot agree to the first proposal and reject the other.

Mr. Speaker, I think that this is a regular practice with the system under which we live. When there is a question of helping, of taking steps that are called for, we also find rising taxes and measures being taken which the people can only disapprove.

I think, Mr. Speaker, that the Minister of National Health and Welfare (Miss LaMarsh) should have this bill amended, more particularly because taxes have risen so considerably of late, and see that they are not increased again following the other bills which will be passed.

I also appeal to the Minister of National Health and Welfare to withdraw clause 2 of this bill so as not to increase taxes at the same time.

You may wonder how to finance the bill. Mr. Speaker, all our legislation is connected with one and the same matter, how to finance social legislation passed by the house? At this time, as always before, it is done by increasing taxes.

We will have an amendment to move to clause 2. Amendments were made before to other clauses on other bills. As far as this one is concerned, we want to explain it right now. It might perhaps be easier to accept for the Minister of Finance (Mr. Gordon).

It concerns another amount of $57 million or $307 million, as the Minister of National Health and Welfare said the other day. We ask that it be financed by the Bank of Canada and not by taxing the small wage earners,

workers, farmers, etc. We think it can be done. Thus a worker would not be taxed more between 20 and 70, that is during 50 years of his life, taking the chance that he might or might not draw the old age pension.

Mr. Speaker, we want to amend article 2 in such a way because we believe that, even if our social legislation is being improved on the one hand, on the other our whole economic system has to bear the consequences because taxes and prices go up, which brings inflation to our country.

Mr. Speaker, we want to say that although we are in favour of increasing the old age pension we object to a tax increase at the same time. We are disappointed that the minister did not deem it advisable to consider the suggestions made in the house the other day. Votes were taken and a large number of members voted to make the old age pension retroactive to last April 8; others voted to lower the age limit to 65 and 60. We would have liked the Minister of National Health and Welfare to take those suggestions into consideration. We hope that she will do so before long and agree to improve that legislation by lowering the age limit to 65 and 60 for all, without any means test.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, there is a question I should like to ask before the house goes into committee.

I would appreciate it if the minister were to give it a perfectly direct answer, and I would remind her that everything here in this house is taken down, so that her reply will not be subject to a different interpretation.

Why do the government and the minister refuse to increase pensions from the age of 65? Why does the government also refuse to increase pensions for the blind and the disabled?

I feel that amounts to discrimination on the part of the government and its leader, who are wholly responsible for it.

I would ask the minister to tell us why such discrimination is being resorted to by the government toward the other government pensioners.

Mr. Robert Beaule (Quebec East): Mr. Speaker, may I ask the hon. member a question?

[*Text*]

Miss LaMarsh: Mr. Speaker, with respect to—

Mr. Aiken: On a point of order, Mr. Speaker; before the minister speaks I think it should be pointed out that she will close the debate.

[Mr. Gregoire.]

Mr. Speaker: I understand the Minister of Finance wished to secure the floor.

Hon. Walter L. Gordon (Minister of Finance): I just wish to say a brief word in reply to the points made by the hon. member for Greenwood (Mr. Brewin). I thought his main point was that there should be a steeper progression in the rates of personal income taxes, and this should be introduced in so far as this particular item is concerned. I do not mean to put words into his mouth that perhaps he did not intend, but I think he suggested that in this particular case the ceiling should be removed, which would have the result of a steeper rate of progression.

Mr. Brewin: No, the same rate all the way.

Mr. Gordon: Well, the net result would be—

Mr. Howard: Better consult your advisers again.

Mr. Gordon: This is something I think I can handle myself, thank you. The net result in this case would be that it would have the effect of changing the amount of taxes at all levels.

I fully appreciate that there are arguments in favour of a steeper progression in the rate of personal income taxes, but as all hon. members know, there are also arguments being advanced each day of the week before the royal commission on taxation in favour of a smoother rate of progression, and it is argued that the present rates are a deterrent to expansion and incentive. I agree with my hon. friend from Greenwood regarding the ability to pay of those in the higher income brackets, although some people in those brackets feel they are now taxed as high as they would like to be.

I am not arguing the point; I am merely saying that there are two points of view, and I am not prepared to say at this stage whether I agree with one argument or the other. I would not wish to reach a conclusion until the royal commission has made its report, and I might say that the sooner the royal commission reports, the better pleased we will all be.

I am not at all sure, and I will go further than that and say I do not believe that, with regard to this particular item, it would be wise to make a change along the lines suggested by the hon. member for Greenwood. If there is a case that can be made for changes in the present progression of personal income taxes, then I think that should be done in connection with the whole structure of personal income tax rates, and not with this particular item which deals with old age security.

Old Age Security

I have some reservations as to whether over a long period of years this particular segregation between the old age security fund and the consolidated revenue fund is necessarily the best arrangement for all time. However, I did not think this was the time to make a change. I think it is reasonable to expect that people who will be asked to pay in this period roughly the equivalent of this particular increase in the old age security benefit will inevitably relate the additional tax they will have to pay, or some of them will, to the additional benefits they will receive from this measure.

As I say, there may be a good case for a complete review of the whole personal income tax structure and all the other tax structures that are now in effect. But I would not like to see this particular measure used in a way which in my opinion could easily provoke a feeling of opposition by those people who would be inclined to relate what they were asked to pay, in terms of additional taxes, to what they will expect to receive some day in the form of an increased payment under the Old Age Security Act. As the hon. member for Greenwood pointed out, a man with a gross income of $12,000, who under this bill would be paying an additional $30, or a total of $120, would under the proposal made by the hon. member pay $300. So he would be paying an extra $180.

Mr. Brewin: He could afford it.

Mr. Gordon: He could probably afford to pay four or five times that much, but I am not arguing that point. I am saying that some people would relate one thing to the other, and for the benefit of getting an extra $10 a month at age 70 he would be being asked to pay $15 a month from now on. I think this would not sit too well with some people who might not relate it to the whole structure of the income tax rates. Because I do not think it would be wise to restructure the income tax rates on this particular point, I do not think it would be wise to accept the hon. member's proposal.

Mr. Brewin: Mr. Speaker, could I ask the minister a question? Does he not think that the people who would object would be a relatively small and perhaps rather selfish minority?

Mr. Gordon: I think they would be a minority. Whether they would be small or selfish, I am not prepared to say.

Mr. Brewin: Try.

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I shall be very brief in my remarks because I am sure all hon. members are anxious to have the bill pass. I would like to ask the minister, and through her the government, whether she would consider making an additional allowance to widows, widowers, spinsters, bachelors and those who are living in homes where only one person is drawing assistance. I think we are all aware of the fact that whether people are renting or own their own homes, the taxes or the rent amount to about the same figure. They pay taxes or rent, hydro, maintenance, insurance and the many other expenses involved in living, and these amount to at least $50 a month. Therefore these people are left with $15 or $25 a month with which to buy groceries and the other necessities of life.

Sweepstakes

I think we all agree, also, that although two cannot live as cheaply as one, two can buy more economically than one.

Mr. Ian Grant Wahn (St. Paul's): Mr. Speaker, I am sure all of us welcome the unusual harmony and agreement prevailing amongst all hon. members of the house on the proposed $10 increase in the universal old age pension. We have been told that the cost annually of this increase will be in the neighbourhood of $116 million. Because this is a large sum of money perhaps I will be excused if I take just a few minutes to review the principles which justify this increase and also the record of old age pensions since their inception in 1950.

Mr. Winkler: Mr. Speaker, could I ask the hon. member a question? Would the hon. member be so kind as to keep his eye on the clock?

Mr. Wahn: Mr. Speaker, perhaps I could call it five o'clock and continue after the private members' hour.

Mr. Pigeon: Mr. Speaker, may I address a question to the minister? I think he has time.

Mr. Wahn: I would not wish the debate to be closed off, Mr. Speaker, until I have had an opportunity to continue my remarks.

Mr. Speaker: Order. It being five o'clock the house will proceed with the business on the order paper, namely private members' bills.

SWEEPSTAKES

LEGISLATION TO ESTABLISH HOSPITAL SWEEPSTAKES BOARD

Mr. J. H. Horner (Acadia) moved the second reading of Bill No. C-24, to provide for the establishment of a hospital sweepstakes board.

He said: Mr. Speaker, in introducing this bill I follow in the footsteps of many hon. members before me, some of whom in the past did a great deal of work and undertook a great deal of research on the subject of

lotteries and sweepstakes. This bill is somewhat similar to the one introduced a year ago by the then hon. member for Calgary South. The main purpose of this bill is to establish in Canada a national sweepstakes board to manage, run and control sweepstakes in Canada. I added the words "to manage and control sweepstakes in Canada" because in many facets of our life in Canada today we have, although they might not be called sweepstakes, what are certainly huge lotteries, gambling by tickets, and so on. One has only to look around to realize that this is a fact. In fact, Mr. Speaker, you can now play bingo when sitting at home watching the television. This is an interesting form of gambling, to some extent.

Throughout Canada I think there is a wide demand that the federal government establish once and for all a sweepstakes board and that the function of this board be to set up a national sweepstake in Canada. One could go back and read all the press clippings of responsible groups which are in favour of such a board being established. I have here a newspaper clipping which states that the federation of Canadian mayors and municipalities passed a resolution in favour of a national lottery. From time to time Gallup polls on this question have been taken. A recent one showed that 82 per cent of Canadians were in favour of a national sweepstake. A poll taken by a well-known paper in the province of Quebec, *La Presse*, showed that of 98,000 people polled only 149 were against the establishment of a sweepstake. Two years ago, I think it was, a group of women took it upon themselves to campaign across Canada in order to determine whether or not a national sweepstake had universal appeal. They covered an area of something like 12,000 miles, talked to a huge number of people, received some 300,000 signatures, and at no time met anyone who was strongly opposed to the establishment of a national sweepstake. The Canadian Chamber of Commerce has passed resolutions endorsing the principle outlined in this bill. Nearly all the Canadian labour unions have also endorsed the establishment of a national sweepstake.

We hear from time to time that too much gambling is a bad thing and will ruin the moral fibre of the people. What bothers me about this is actually the converse—a continuation of gambling, raffles and bingos which, according to the Criminal Code, are directly contrary to law enacted by this house. Yet raffles, bingos and ticket draws go on. People more or less come to regard the law relating to gambling as something to pay no attention to, because there is no meaning to it and it would not be enforced in any case. We also see from time to time, as we have this fall, a crackdown on Irish sweepstake tickets, and a certain number of people are arrested for selling them. But the moral fibre of the nation is receiving more harm from the continual disregard of this problem by the law enforcement officers of the country and the attorneys general of the various provinces. And we are not changing the law. We are letting young people grow up to disregard the laws of the land. We are bringing them up in an environment which teaches them how to disregard the law. And no one will do anything to correct it. To me this is a matter of prime importance. We here, as legislators, should be prepared, if that is the case, either to enforce the laws or to change them, and I firmly believe that this particular law should be changed. I could use the old saying that 100,000 people cannot be wrong, because nearly every person in Canada gambles in one form or another. The wide appeal of raffles, the wide appeal of bingos—

Mr. Winkler: They certainly gambled when they elected this government.

Mr. Horner (Acadia): My hon. friend says that they gambled when they elected the present government, and they certainly did. But the odd thing about that, Mr. Speaker, is this. We western farmers, who gamble every day of every season in our lives, have certainly shown that a little experience in gambling pays off, and we use our judgment perhaps a little more wisely than others in other parts of the country, because of that experience. However, I am getting sidetracked a little.

This hypocrisy in Canada which has grown up with regard to sweepstakes and lotteries of all kinds must be stopped. We must have the power to act and implement legislation to establish a national lottery or sweepstakes plan. We hear talk of huge prizes and of people who are lucky enough to win on sweepstakes. Both last year and this year the Calgary stampede raffled a $50,000 gold brick, and the lucky winner was chosen by means of a ticket drawn out of a box, a hat, or whatever other container it was. The only difference between this type of lottery and a sweepstake is that in a sweepstake horses help decide the winner; they decide who wins the first prize, the second prize and the third prize. But there is no real difference between this and a $50,000 gold brick raffled in the city of Calgary to promote the Calgary stampede, a very worth-while cause.

But, Mr. Speaker, surely we can make even better use of money than this. We sometimes think of ourselves in this country as being too righteous; that we live a very sacred life and should not indulge in this sort of gambling and risk our last dollar in the hope that

we will be the lucky winner of a $50,000 gold brick. I ask the people who feel that if this legislation is implemented it will decay the moral fibre of the country: Does it harm the moral fibre of the country if the government raises money from horse racing, that is now legalized or from the sale of alcohol, that is now legalized? Premier Manning, the premier of the province of Alberta, knows where the blow will hurt less, and when he needs money he taxes the people accordingly. I am sure that many people in Alberta realize this. It does not bother him when he increases the percentage the provincial government will get from the sale of alcohol and other taxes in that province.

I think we should take some action on this problem. Much has been said about the Irish sweepstakes and a number of articles have recently been printed on the subject. I think the former member for Vancouver-Kingsway put some facts on the record some time ago; in fact on June 23, 1961. According to *Hansard*—and the source of this information was direct from the management of the Irish sweepstakes—he stated that the Irish sweepstakes was the largest in operation and had been in operation for some 97 years. It has paid out in prize money a total of some £117 million. In addition to the prizes some £48 million went to Irish hospitals.

I am rounding these figures out, Mr. Speaker, but in bringing them before the house again the question is certainly pointed up that money can be raised in this way for worth-while purposes. It really does not matter what we think; people are going to continue to wager. People are going to continue to take a risk. It is our very instinct to do so, and even though we outlaw gambling at the present time in this country, people still wager. A few years ago I remember reading in the newspaper that New Zealand, a country with something like two and a half millions of population, was very disturbed by its currency losses due to no lottery being operated there. They were losing money to Australia because of this urge to gamble, and to keep money at home they decided to implement their own lottery scheme. It proved such a success that to some extent they were embarrassed by it. I should just like to read this article from the Ottawa *Journal* of June 26, 1963:

> New Zealand's national lottery has reached its century with the 100th drawing, a year and a half after it was established.
>
> In that time it has settled down to become a basic fact of national life.
>
> At first the lottery was such a sensational success that sellers were unable to keep pace with the demand. Tickets were rationed and drawings were held twice a week.
>
> *Sweepstakes*
>
> With time, the demand has become more stabilized. Drawings are held about once a week. Competition from overseas lotteries, at first almost extinguished to the benefit of New Zealand exchange funds, has been renewed in some measure.

The article goes on to say:

> Reviewing results of the first 100 lotteries, Sir Leon noted that $9 million had been paid in prizes to 180,000 winners. The government had received $1,875,000 in tax and ticket sellers had been paid the same amount as commission. After allowing for advertising and other expenses, some $5,400,000 had been available for distribution to good causes.

Some members on the government side may think that $5 million is a small amount of money but, surely, it is an amount which would go well toward providing hospital beds for the needy, for example. I suggest it could provide many worth-while and needed services for the benefit of this country.

I do not intend to go into detail as to how I believe this proposal could be implemented or how I think it should be run. The bill provides clearly for the establishment of a board to manage and operate a national sweepstake. Bills have been presented to the house seeking to amend the Criminal Code so as to allow provinces to set up their own lotteries or sweepstakes. I, personally, think it would be better to have a national sweepstake board controlled federally, rather than to run sweepstakes on a provincial basis. I think it is time, especially in view of the fact that two provinces have voted in favour of the establishment of provincial lotteries, that this federal parliament took action in this regard before the pressure builds up in the provinces to such an extent that the federal government gives in and allows provincial governments to run their own sweepstakes. In my opinion this would not be as good for Canada generally, because there would be a continual shift of money from provinces which did not run sweepstakes into provinces that did. A provincial government which was short of money or which needed a little more revenue for its hospital or medical care plan would, no doubt, decide to hold another lottery or two, in other words to tax citizens of other provinces, and this, I believe would be harmful. This would be an argument against the suggestion that the Criminal Code be amended so as to allow lotteries to operate on a provincial basis.

I think a national sweepstake in Canada would curtail the amount of money which flows out of this country every year in connection with the purchase of sweepstake tickets abroad. To some extent it would be likely to improve our balance of payments position, a subject about which we hear a great deal. Most of the prizes would be retained in Canada. With regard to the moral fibre of our people, I think it would actually

be improved because they would grow up having respect for the laws of the nation, not learning to disrespect them. The people of Canada, by their willingness to purchase lottery tickets, have shown that they are in favour of this method of raising money, one might say, for worthy purposes. Perhaps it would be in order if I added this, too: we were dealing at five o'clock with a 1 per cent increase in our taxation to cover the cost of an additional $10 pension. I believe it is appropriate to mention that here is one way of raising money which the government might well examine closely with a view to taking the initial step of setting up a sweepstake board through which a sweepstake could be managed, run and controlled for the benefit of Canadians all across this country.

Mr. J. J. Greene (Renfrew South): We must all be struck by the similarity of thought shown in this bill as compared with the bill brought in on Thursday of last week by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon). I think I was able to point out to the house at that time that this was not an original idea. A politician or financier bankrupt of any other ideas as to how to raise funds might, naturally, turn to this method of doing so which was conceived originally by one Casanova in France. At the time the original bill was brought in by the hon. member for Joliette-L'Assomption-Montcalm I envisaged that this measure, as so often happens, might come to be popularly known by the name of its author. Indeed, it might come to be known as the Casanova bill and I had in mind that the hon. member for Joliette-L'Assomption-Montcalm, as its sponsor, might soon be known as the Casanova of the House of Commons. It would have been a worthy title, in view of the fact that the hon. gentleman had subscribed to this bill and to the same type of thinking as Casanova subscribed to in an earlier age. It is, in my view, appropriate—

Mr. Horner (Acadia): On a point of order. While I respect the hon. member's right and willingness to speak, I should like to draw your attention, Mr. Speaker, that we are now dealing with Bill C-24 which is to some extent different from the one brought in by the hon. member of whom he was speaking.

Mr. Greene: On that point of order, Mr. Speaker, I think, with respect, that to consider two bills presented in two subsequent weeks—

Mr. Deputy Speaker: The point is well taken. We are not considering today a bill which was discussed in the house on another occasion. We are considering the particular bill which was introduced by the hon. member for Acadia and I would respectfully suggest to the hon. member who has the floor that he should limit his remarks to the scope of that bill which is now before the house.

Mr. Greene: I bow to your ruling, Mr. Speaker, though I respectfully suggest that we are permitted to draw analogies between this bill an another one which was brought before the house, and to consider the advantages or disadvantages of this particular approach as compared with some other approach.

But to continue with regard to the antecedents of this bill, I was surprised to see the hon. member for Acadia bringing in a measure of this kind because, while I am able to see some affinity between the mover of the bill last week and Casanova, the hon. member for Acadia is a rugged western type of hon. member and I would not think he had any affinity with Casanova. Therefore I thought it was peculiar that he should be subscribing to the same type of proposal. However, it may well be that within this honourable house there is room for a western Casanova bill and a western Casanova. This being a bilingual and bicultural house it might be altogether fitting that we should have a Casanova of either tongue, one from the east and one from the west.

Mr. Horner (Acadia): A really high level of debate the hon. member is engaging in, worthy of his remuneration.

Mr. Greene: Apart from the historical background or antecedents of the bill, I think the first thing the house should consider is the question of its constitutionality. It may be that technically it is constitutional. However, in view of all the fuss and furor we have had in the last few months and the loud proclamations we hear from day to day as to provincial rights, even though according to the strict letter of the law the bill may come within the ambit of federal powers, namely, criminal justice as envisioned by the sections now in the Criminal Code, nevertheless we have apparently reached the stage in confederation where any matter affecting provincial rights under the British North America Act and which in any way comes close to section 92 of that act should not be legislated upon by this house without very careful consultation with and agreement by the provinces.

Who have been more righteous and more indignant in their protestations in this regard than the members of the party to which the hon. member for Acadia (Mr. Horner) belongs? Yet he brings before the house a bill which patently, on its face and in its essence, will

affect private property, civil rights and taxation in the provinces. To the best of my knowledge, and I have listened very carefully—

Mr. Horner (Acadia): Are you for or against lotteries? Quit the guff.

Mr. Greene: If my hon. friend would listen for a while to these pearls of wisdom I am bringing forth—

Mr. Horner (Acadia): These pearls of wisdom.

Mr. Greene: —he might find out my subjective as well as my objective views on the matter. Quite apart from the implications of this matter with regard to provincial rights, I think it is one on which we have had so many fulminations by so many people in the past that the people of the provinces individually as well as their elected representatives are vitally interested in the subject. If ever there was a subject which should not be legislated upon without consultation, it is a matter such as this.

Without referring specifically to any prior bill, I would say that an approach whereby the provinces are given rights over subject matters such as these might be preferable to federal legislation, or certainly preferable at least to federal legislation without consultation such as we have before us. I do not know whether the hon. member for Acadia has consulted with Mr. Lesage on this bill or whether the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), who is so fond of telling the house that nothing should be done without consulting with Mr. Lesage—

Mr. Pigeon: Mr. Lesage has done so many times. May I ask a question of the hon. member?

[*Translation*]

May I ask the hon. member a question? Does the hon. member know about the ultimatum of the Quebec premier through which he asked the federal government to amend the Criminal Code in order to set up lotteries in the province of Quebec?

Mr. Greene: Mr. Speaker, in my opinion, the premier of the province of Quebec never asked the house to pass such a bill.

[*Text*]

In this regard I reiterate that I believe there should be consultation and that no bill of this nature should be brought before the house either the joint authority of the federal government and the provinces or consultation with the provinces. Having regard to the manner in which this particular bill is drawn, I suggest again that there may be some question as to its constitutional validity, apart from the political wisdom of bringing it forward without consultation.

The bill does not present a new idea. It has been mooted and talked about in the house many times. I would point out that as late as 1956, I believe it was, a joint committee of the Senate and the House of Commons considered the idea of a national lottery, at which time there was a most excellent government in power and a fine majority in the other place. In their wisdom that joint committee decided that a national lottery was not in the national interest. Whether or not times have changed to any degree since 1956 I do not know.

There are also certain things we should take cognizance of. We are not necessarily bound by them, but I think they should be drawn to the attention of hon. members. It is my understanding that the national bodies of the Anglican Church, the United Church and the Canadian council of churches have legislated against any form of national lotteries. Again I say that the views of these bodies are not binding or necessarily enforceable in this house, but I do think we should take cognizance of them. Surely the views and ideas of these strong Protestant bodies should be borne in mind before we decide to legislate in a manner contrary to their precepts.

Apparently the proponent of the bill also has the thought in mind that lottery revenues will be such as to lessen the tax burden to a substantial degree in some way. If we are going to consider such bills, then I suggest we should consider the facts as they are and not as we would like them to be. The hon. member for Acadia referred to statistics from New Zealand which would indicate that, having regard to the large amounts of money put into lotteries, the amount available for beneficial work on the part of the state, be it hospitals or otherwise, is very little. I think this has been the experience with lotteries. It may appear as though there is a great deal of money going into them, and a great deal does; but the returns to the state are not as great as we would expect from the turnover of money involved. Possibly this is because of administrative expenses or the fact that if people are handling gambling money in an enterprise of this kind they are not as careful with it as they are in handling general tax revenues, and therefore the expenses are greater.

The hon. member for Acadia indicated he was anxious to have some of the smaller and poorer provinces share in the benefits that would flow from this bill. I do not think

he would want his province to become the Nevada of Canada. I do not think we want a Las Vegas here. These things are a matter of degree, and judging by the New Zealand experience in particular I do not believe that the returns from this kind of investment warrant a new form of taxation at the present time.

I quite agree with my hon. friend that on this topic, like so many other controversial topics, the majority of the people of Canada should have the right to speak. It may be that this is the type of matter that could be put before the public by way of plebiscite. It may be sufficiently important to do so. I feel there is one aspect we should consider in connection with this matter. Of late years, this type of suggestion has been very popular. I believe we should give some thought as to why, all of a sudden, this type of painless taxation, as it is supposed to be, has come to the forefront and has won the approval of so many members and of so many segments of the public. It may be that this is a symptom of the age. There has been a thought in the minds of people, probably more in this country than elsewhere in the past few years, that in some magic way, by some waving of a magic wand, revenues can be raised to do all those things we wish to do for our people without paying, without effort and without digging in as we used to do.

Evidently the attitude is that this is the easiest method. It is painless. It is fun. Everybody has a good time. We raise the revenues we need for the things we want to do. The hon. member for Acadia (Mr. Horner), who sponsored this bill, spoke of the moral fibre. Taking his argument to its logical conclusion, this would mean that the people with the toughest moral fibre would be the inhabitants of Las Vegas because they gamble more than anybody else. I do not believe this is necessarily a proper conclusion. Even if lotteries would do no harm, even if they might raise some revenue painlessly, I still have some qualms about this suggestion. I think that to propagate a national philosophy at this time that there is an easy way, that there is something for nothing, that we can have a higher standard of living in this land by some easy and painless method, that we can have more social benefits for our people without paying the price for those social benefits, is dangerous.

We have seen how well the people of Germany and Japan, those lands that were decimated by the war, have re-established themselves since the end of the war. No doubt this has been the result of the help the allies gave, to some considerable measure. However, I think we must pause for a moment and reflect upon the way Germany and Japan in particular have come back. This has resulted, to a very large degree, from the fact that the people were willing to work, to make sacrifices, I do not believe they expected great social benefits. The unions held the line in wages, and I think capital held the line in dividends. These people pulled together as a nation and, because of the decimation of the war, they were willing to do so. They had something for which they were willing to work, to rebuild their countries, and they have done so to a large degree. People who have been to Europe and Japan during the past few years tell us that there is no unemployment, that there is an increasing standard of living. There is this national philosophy, apparently, that the people of the country must work hard and pull together if they are to achieve the things they wish.

The politicians here have certainly been guilty of propagating the idea of getting something for nothing. Vote for A or vote for B or vote for party one or party two, and you can have all these things that you would like to have without any national effort. I feel this is a very dangerous thing in our Canadian political thinking. This is a great land of boundless opportunity. Our people can have all the things they would like to have, but they cannot have them through the use of any magic formula or in any easy way.

Mr. Deputy Speaker: Order. I regret that I must interrupt the hon. member but his time has expired.

[*Translation*]

Mr. Jean-Charles Cantin (Quebec South): Mr. Speaker, here is another matter which carries a full range of arguments. We shall add to it, if possible.

Arguments on grounds of moral, ethics and religion are put forward against lotteries. However, hardly a Sunday goes by without a Canadian minister or priest asking his flock to make a donation to such and such organization by buying a raffle ticket. So, I fail to see how a national or provincial lottery could be such a sin when it is not in the case of the charities recommended by those priests and ministers.

If we take a look at the newspapers for a knowledge of the public opinion, we see—as has already been said here—that the newspaper *La Presse*, a few years ago, made a survey on that matter which revealed that out of 100,000 people only 149 were against the setting up of a lottery. The Toronto *Telegram*, in a survey on the same subject which it carried out also a few years ago, received 8,990 answers in favour of lotteries against 814 opposed to them; and about 700 people admitted having bought in the past lottery tickets from various organizations.

On the other hand, the most convincing argument for the adoption of such legislation is to keep Canadian money in Canada. As far as I know, nobody has ever objected to the stock exchange transactions. Nobody has ever objected to the hazards of life. In a certain sense, aren't both of them a gamble? And yet who would consider prohibiting them?

The lack of money therefore remains a temptation for our rulers to encourage lotteries. If you look at a number of countries in the world, you notice that during the past few years, many countries have adopted that solution.

Australia has organized five annual lotteries and a newspaperman stated that lotteries are a means of survival in that country thanks to the profits brought in to the public, the government, the hospitals and charitable institutions.

As was said earlier, New Zealand established in 1961 a lottery called "The Golden Kiwi". It has been so successful that they even wondered for a time how to distribute the profits.

France keeps 40 per cent of the proceeds of its lottery, which does not prevent that country from awarding a $100,000 prize to the winner. West Germany has its lottery since 1955. Austria established a lottery in 1813. Italy has four big lotteries every year which are held by means of horse races, car races or even popular songs.

Switzerland, Portugal, Spain and most Latin American countries hold private or public lotteries, not to mention countries behind the iron curtain, such as East Germany, Poland and Soviet Russia, which also have their own lotteries.

Israel, where any form of gambling is prohibited, including horse racing, has nevertheless established a state lottery which yields $8 million a year. The money is used to build schools and hospitals. And yet, this is a country where all types of gambling are prohibited.

It is common knowledge that horse racing is organized in Canada.

Whether you are listening to the radio, looking at television or reading a newspaper, everywhere you are offered a premium of some kind or another with the purchase of a product. If that is not a lottery, I feel the principle is the same.

Moreover, the state of New Hampshire legalized lotteries recently. That will be the first legal lottery in the history of the United States since 1894. It will be held twice a year in connection with a race and tickets will be $3 each. Prizes will total $200,000 and the state will build schools with the $4 million it expects to get every year from its lotteries. In my opinion, those surveys prove beyond doubt that the great majority of Canadians are now in favour of lotteries and I hope that the Criminal Code will soon be amended to make them legal.

At any rate, the province of Quebec has been waiting to hold a lottery for a long time. I understand that under our system of government the views of each and every province have to be respected. That is why I feel that the law should be amended so that each province may set up its own lottery if—but I doubt it very much—there are still in Canada provinces which are against lotteries.

Let there be a serious survey, let the people discuss the idea and I feel that it will soon be obvious that everybody is in favour of such a move.

Mr. Speaker, the newspaper *La Presse*, in its February 28, 1962 issue, published an article written by Mr. Vincent Prince. The article was entitled: Mr. Fulton must say "yes". I quote:

> Premier Lesage has attempted for months to have the federal government amend section 179 of the penal code. That section, as everyone knows, has always been the obstacle which prevented the province of Quebec from fulfilling its legitimate wish to institute a provincial lottery.
>
> Twice in the past, in 1934 and in 1950, the Quebec legislature approved measures for the institution of such lotteries, so as to give assistance to our hospitals and educational establishments. Each time, our legislators' will was frustrated by Ottawa's refusal to amend its legislation on games of chance. Indeed, it was the coming into force of that same penal code, in 1893, that put an end to the only lottery which Quebec ever had and which goes back to the days of curé Labelle.
>
> Mr. Lesage is quite right to urge the federal Minister of Justice along, and the whole population of the province supports him. In February 1961, C.K.A.C. radio station and *La Presse* organized a poll, the results of which were quite revealing. One hundred thousand Quebecers answered a very precisely worded questionnaire, and barely 149 people opposed the idea of a provincial lottery. That allows us to assert that the feeling is unanimous on the subject in Quebec, as the sampling was broad enough to lead to valid conclusions.
>
> One could naturally contemplate a nation-wide sweepstake, and actually the idea has been put forward. In the past, several resolutions have been presented to that effect in the house, but in spite of the sympathetic attitude of the Senate, none of these resolutions were concurred in. It appears clearly that there is a cleavage of Canadian opinion on that point, and many years could go by before all hon. members are in complete agreement.
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> That the federal government is not ready to use that type of tax, surely a direct tax, does not seem to me a worthy reason to stand in the way of the provinces which have decided to enter that field. Indeed, Mr. Lesage does not request an exclusive privilege for his province. So much the worse if the other areas of this country do not want of it.
>
> There are still people—and I respect their opinion —who maintain that the state should not favour unrestrained gambling. And yet I think that those people are deceiving themselves. They are deceiving themselves because, in any event, few citizens do not have the opportunity to gamble. The argument would be acceptable if gambling were

an evil in itself, but such is not the case. And I am of the opinion that people will not gamble more if a lottery is set up. The difference is that the state will benefit thereby.

How many million dollars are drained from the province of Quebec at the present time by the Irish sweepstake only? Would it not be a boon if that money served our own institutions?

And what about underhand betting? What about hockey lotteries? On March 29 last, the Canadian Press informed us that $500,000 of "hockey tickets" were sold every week in Canada. Only yesterday, the police seized 3,760,000 of those tickets on Perrot island. And it was the third confiscation of the sort in one month.

No, a provincial lottery would only channel towards Quebec state revenue which, at the present time, is going to foreign institutions or private individuals here.

Mr. Speaker, I wish to bring to the attention of the house something that happened in Australia, I think. A young bookkeeper working in a bank managed to embezzle about $74,000 without getting caught. One day he won first prize and decided there and then to reimburse the bank, principal and interest. That goes to show that sometimes a lottery will indeed help some people.

But, in my opinion, one very serious reason warrants holding lotteries. The article I just read mentioned the outflow of Canadian money, what are called invisible monetary deficits, which are a serious factor in our unfavourable exchange situation with foreign countries.

In that regard, I wish to read to the house an article written by Mr. Amedee Gaudreault, parliamentary correspondent for the newspaper *Le Soleil*. Here is what he said:

Why not have a lottery?

National or provincial?

Many people think that, in Canada, a lottery should have a national character to ensure a fairer distribution of the yield among the provinces.

But if Ottawa does not want to enter that field, it should not stop one or several provinces from doing so, if they want to.

Some of us, like the hon. member for Manitoba (Mr. Regnier), suggested a national referendum. Others would like the provinces to be consulted first and say whether they are for or against the idea of a national lottery.

If the provinces were against a national lottery, they could not, later on, oppose a provincial project of that kind, first of all because they objected to a national scheme, and also to leave others free to do as they like at home.

Ottawa might amend the Criminal Code later for its own benefit or that of interested provinces, and nobody would be obliged in that case to buy lottery tickets against his will.

The recent experience in New Zealand revealed an unexpected phenomenon: a great number of tickets were sold in Australia and other countries.

If a lottery with substantial prizes were created in Canada, it is also probable, according to many observers, that such a lottery would get an important part of its revenues from the United States. It was pointed out to us that with the long Canadian-American common border, the good friendly relations between our two countries and our considerable trade deficit, it is probable that the United States would not oppose some restoration of the balance of "invisibles" where our deficit is equally quite high, particularly in the tourist trade.

Consequently, and this is the opinion I would like to leave with this house, I am in favour of the Criminal Code being amended to allow for a lottery.

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Would the hon. member for Quebec South (Mr. Cantin) allow me to ask him a question?

Mr. Cantin: Yes.

Mr. Paul: I was very much interested in his remarks, and as he lives in the same riding as the premier of Quebec, could he tell me whether with reference to the article by Mr. Vincent Prince, which he read in extenso, the heading of the article could not be changed to read:

Chevrier must say yes.

Mr. Cantin: For the information of my hon. friend, and also for the information of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I will say that I am also in favour of a lottery.

Mr. Chevrier declared in the house that the file on lotteries was quite voluminous and that it was being considered. We trust that a practical agreement will be reached and that a practical solution will be found.

[*Text*]

Mr. Ralph Cowan (York-Humber): Mr. Speaker, in rising to support Bill No. C-24 I can assure you that as a result of remarks I made the other day in favour of another bill of the same nature I have received correspondence from across the country, and every letter, every telephone call and every personal visit has been in favour of a bill such as the one introduced by the hon. member for Acadia (Mr. Horner)—except one. That objection, as I expected, came from a reverend gentleman, a minister of one of the recognized communions in Canada, where I maintain a great body of opposition to these sweepstakes and lotteries bills rests and where the opposition is fanned by the ministers.

I am greatly in favour of sweepstakes and, as I stated the other day, hundreds of thousands of dollars go out of the country in the purchase of sweepstakes and lotteries tickets. They are supposed to be illegal, but hundreds of thousands of tickets are bought every year by Canadian citizens and no action is taken against them. A direct result of my remarks the other day has been a letter from London, Ontario, where 50 men have now been charged in connection with the sale of sweepstakes tickets in Ontario because it is against the Criminal Code. This letter from a resident of London, who advised me

that he is one of the 50 men who have been summonsed, points out under the date of October 5:

> Very shortly the horse racing season will commence at the London fair grounds. It will then be possible to enter the race track, approach a wicket, set down $2, receive a ticket and if a winner, collect in cash. This will all be under the close scrutiny of the minions of the law. Several weeks ago we staged our local London fair and here we had the opportunity of playing the roulette wheels and receiving our winnings in cash. Also under the eyes of the local police. I could go on and on adding to this list of so-called legal but out and out gambling. We live under a set of codes which are most unjust when on one hand they allow the above while on the other hand our guardians of justice will be hauling into our London court about 50 Canadian citizens who will probably have meted out to them severe judgment because of the sale of some sweepstake tickets. Australia, New Zealand, Jamaica, England, Ireland, etc. all make sweepstakes available to their citizens with no adverse effect.

This gentleman then says:

> To yourself, to Guy Rouleau, to Louis Joseph Pigeon and to Barry Mather I wish you all success in your splendid efforts to amend the codes. Please tell the Prime Minister that many thousands of Canadian citizens in this area are seething at the injustice which is now prevalent under our present Criminal Code and do ask that he and his legislators take immediate action to rectify this inequality in our laws.

I can assure the writer that I will personally place this letter in the hands of the Prime Minister (Mr. Pearson) as expressive of much of the thought that is in Canada today. Reference has been made by previous speakers to the success of the New Zealand lottery. I will not burden the house by referring to quotations they have made, but there is an interesting paragraph at the tail end of the Canadian Press dispatch on this matter. This was in the *Globe and Mail* of July 16, this year, and I would read it to the house:

> Churches and other anti-gambling interests continue to criticize the principle.

Note the next sentence:

> But public opinion is so overwhelmingly and obviously in favour of the lottery that its opponents have realized that their views cannot prevail.

I maintain that the same condition exists here in the Dominion of Canada as in New Zealand. We have before the House of Commons at the present time five private bills on this one subject introduced by private members. These five private bills have been introduced by five representatives from three different provinces in the dominion, which shows how widespread is the feeling on legalizing lotteries and sweepstakes in this country. I sincerely hope that this sweepstakes bill introduced by the hon. member for Acadia will carry, and carry by an overwhelming majority.

[*Translation*]

Mr. Jean-Pierre Côté (Longueuil): I should like to say only a few words about the lottery bill—

Mr. Deputy Speaker: Order. The hon. member cannot address the house unless he speaks from his own place. I understand he is not at his own seat at the present time.

[*Text*]

Order. I must inform the house that the hour appointed for the consideration of private members' business has expired.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, October 8, 1963

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of the Supreme Court of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber today, the 8th October, 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

OLD AGE SECURITY

PROVISION FOR INCREASE IN AMOUNT OF PAYMENT

The house resumed consideration of the motion of Miss LaMarsh for the second reading of Bill No. C-98, to amend the Old Age Security Act.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Wahn: Mr. Speaker, the unusual harmony and agreement prevailing among all hon. members of this house in connection with the proposed $10 increase in the universal old age pension is most refreshing and is actually a striking tribute to the work done in 1950 by the joint committee of both houses of parliament on old age security, on which committee all members of this house were represented. As a result of the report of that committee the government then in office established a basic and universal pay as you go pension without a means test in the amount of $40 a month. This legislation was adopted unanimously and with universal acclaim. In

its 1950 report the joint parliamentary committee emphasized that the program it recommended could be financed and administered satisfactorily only by the federal government. They said:

> Only the federal authority can establish a sufficiently broad base of contributions to make such a program possible, and only the federal authority can ensure that an individual will receive the benefit to which he has contributed, regardless of whether he moves from one province to another.

All hon. members will recall that this vital report was signed by the chairmen of the committee, Senator J. H. King and the Hon. Jean Lesage, now premier of Quebec.

The $40 old age pension without a means test commenced on January 1, 1952. From 1952 to 1956, with balanced budgets and no inflation, the purchasing power of the pension expressed in constant 1952 dollars was well maintained. In 1957, as a result of two successive increases, the pension was raised to $55, but with the inflation which commenced in that year the purchasing power of that $55 pension was actually only $52.56 in constant 1952 dollars. This was a 31 per cent increase over the initial $40 pension. In the same period average weekly wages and salaries expressed in constant 1952 dollars had increased by only 21 per cent, much more slowly than the increase in pension benefits.

Hon. members of the house will recall a continuing series of massive budget deficits experienced between 1957 and 1962 totalling some $3 billion. As a result Canada experienced a continuing and accelerating inflation, and by 1962 the $55 pension had been reduced to $49 expressed in terms of constant 1952 dollars. In 1962 the pension was increased to $65, this being the equivalent of $57.94 in constant 1952 dollars. This represented a real increase of 45 per cent over the 1952 pension rate. During the same period average weekly wages and salaries had increased by 33 per cent expressed in constant dollars. When this current $10 increase in the pension is made the pension increase in constant dollars over 1952 will be 64 per cent. The increase in average wages and salaries over the same periods will be about half that, namely 37 per cent. As between 1962 and 1963 the increase in old age pensions will amount to 13 per cent, as compared with an increase in average weekly wages and salaries during the same one-year period of 3 per cent. I have documented this record, Mr. Speaker, because the concern shown by the Canadian public generally in increasing the old age pension by 64 per cent in a period in which their own wages and salaries have increased by only 37 per cent must surely be a record without parallel among other countries and one of which all Canadian taxpayers can be justly proud.

I believe that those who are now retired or on the verge of retirement would be the first to recognize this and would also be the first to insist that while appropriate respect should be paid and provision made for them, it is of prime importance to expand opportunities for those of all ages who have suffered from the massive unemployement of recent years and for the generations who will follow.

On this side of the house we believe that in this country, with the opportunities we have, we can and will do both these things.

I have emphasized that the increased pension benefits are being provided by Canadian taxpayers and not through the generosity of successive Canadian governments. The members of the government do not provide pensions and other social benefits out of their own personal funds; they merely transfer money from one group of Canadians to another, and in doing this they act as trustees and representatives of the Canadian people. Whenever the pension is increased and whenever social benefits are increased we as trustees and representatives of the Canadian people should give careful thought to the principles on which the increase is based. In considering the amount of old age pension it must be remembered that it has never been claimed that this pay-as-you-go flat rate pension provided a proper subsistence pension for all. Speaking in the House of Commons in 1957 when the pension was raised to $55, the hon. member for Perth (Mr. Monteith), then the minister of national health and welfare stated:

> It will be sufficient in our judgment, together with the other means that most pensioners have at their disposal, to provide a decent minimum level of living for most pensioners.

The view that the hon. member for Perth so clearly expressed in 1957 is consistent with the views expressed in the 1950 report of the joint parliamentary committee. The committee at that time pointed out that the universal pay-as-you-go system is costly by its very nature and that benefit payments cannot be limited to that section of the population which can prove need, as in the case of old age assistance or to those who have previously made the required number of contributions as in the insurance approach.

The committee pointed out that considerations such as these had made it necessary for countries such as New Zealand and Sweden to set the rate of their universal benefits substantially below minimum subsistence levels. Like considerations also led the committee to the view that benefit rates under any universal system considered for Canada should not be set so high as to make the over-all cost

too burdensome. The members of the committee also pointed out that this was particularly true of a country such as Canada where living costs and wage and salary levels varied widely from one section to another. They emphasized that the rate of benefit should be set at a level which would avoid so far as possible the social inequity of a situation in which the retired beneficiary group in any area of Canada might find themselves in more favourable economic circumstances than those not yet retired who are still actually engaged in productive employment. At the same time, care should also be taken not to diminish the area of incentive for private savings or supplementary provision for old age security through employee pension schemes or individual purchases of annuities. In view of these considerations Canadians generally can take pride, I believe, in the institution of the universal old age pension without a means test and with the successive increases which have taken place and which are now proposed.

It is true that some members of the opposition parties have suggested that the increase should be made retroactive to the beginning of April and others have implied that the government has shown doubtful taste in insisting that the resolution which provided for the proposed increase should also provide the moneys required to pay that increase. Indeed, some members have gone as far as to suggest that this was a Liberal trick.

Mr. Woolliams: I do not think that.

Mr. Wahn: Even the able member for Edmonton-Strathcona (Mr. Nugent) somewhat plaintively remarked:

> I was at a loss to understand the attaching of a monetary clause to this resolution by which taxes would be increased.

And, later, the same hon. member said:

> Might I suggest to the minister that she seriously consider withdrawing from this resolution the fund-raising part of it. Also, I suggest that an entirely new budget be presented, or an amendment to the budget, so that we can get on with granting the increase in pension without this further complication, and so we can give the fund-raising aspect of this matter the kind of attention it deserves.

One wonders just what kind of attention the hon. member had in mind.

The hon. member for Joliette-L'Assomption-Montcalm was even more explicit, and even more indignant. He said:

> I fail to understand how the Minister of National Health and Welfare can recommend the levy of a tax to pay for this increase in pension.

There appears to be complete unanimity among the members of this house as to the desirability of the proposed $10 increase. Some may wonder why the round figure of $10 was chosen. I recall that in the early days of the Alberta oil industry, oil in the ground was customarily valued at $1 per barrel. When asked why, one operator said it was the only figure he could multiply by. Perhaps somewhat similar principles operate in leading members of parliament to favour increases by ten-dollar amounts.

But though there may be complete unanimity in this house, we must base a pension increase at this time on some logical grounds, since there is a quiet, but strong demand across the country for financial responsibility on the part of this government.

I hold in my hand a letter from a constituent who says:

> I understand the government may be considering increases in corporate and personal income taxes in order to pay for the recently proposed increase in old age pensions. As one who voted for you in April, I urge you to do everything you can to prevent such an increase which would, coming at the present time, have serious and far reaching effects on the Canadian economy.
>
> It now seems almost certain that personal and corporation taxes in the United States will be lowered in the early part of 1964. This in itself, in the absence of any parallel Canadian tax reductions, will result in a worsening of our competitive position vis-à-vis the United States. If at the same time we actually increase our taxes, Canadian industry will have a tax 'tariff' of 4 or 5 per cent to overcome in competition with United States industry, to say nothing of the inhibiting effect of tax increases on incentive. The adverse balance of trade with the United States, which the government is rightly trying to alleviate by various means, would deteriorate rapidly and the effects on employment and on the whole economy could be disastrous.

I have here another letter from a constituent—

Mr. Knowles: Author.

Mr. Wahn: Let me read this, and I do not think you will then demand the name of the author.

Mr. Knowles: Why not? The hon. member is required to give it.

Mr. Wahn: The hon. member may have it if he desires, after I have said what I have to say.

I have another letter from a constituent who tells me that he entered St. Michael's hospital in Toronto where he has undergone a major surgical operation for the removal of a kidney. He tells me he has been in receipt of the maximum welfare allowance of $57.10 per month and that we should recognize that in Toronto such an amount is not sufficient to provide a human being with essential food, housing and clothing. He says:

> Hospitalization recently plus the costs of x-rays and a major operation is going to cost my fellow taxpayers some money. Perhaps my kidney could have been saved had I been able to secure medical treatment several months past. The miracle seems to be that I have survived, considering the fact

that for months prior to the operation I was eating only the skin-and-bones food allowance of welfare recipients. If I have to continue on such a niggardly allowance it may cost my fellow taxpayers more hospitalization costs in the future. There are thousands across Canada with the same problem as myself.

I shall be glad to show this letter to the hon. member for Winnipeg North Centre (Mr. Knowles).

We have been told that the $10 a month increase will mean the expenditure in a full year of $116 million. Of this amount, approximately $16 million should be recovered in income taxes, so the cost of this $10 increase will be $100 million annually and the amount will no doubt increase in future years. This huge sum of money, if received each year and properly directed and co-ordinated with expenditures of provincial governments, municipalities and the numerous charitable organizations in the field, could probably eliminate forever poverty and need among those in our country who for age or other reasons are unable to work and to provide for themselves. Yet we know that this annual expenditures of $100 million spread out in $10 monthly payments among the entire population over 70 years of age will not achieve that result.

Why then, sincere people ask, do we not mass, direct and co-ordinate all our resources in the war to eliminate forever poverty and need, instead of dissipating our available resources ineffectively in small amounts over a wide area? Why do we not use these vast sums of money to supplement income, not on the basis of the outmoded "means test" but on the basis of actual needs and without restriction to the arbitrary $10 amount?

While such arguments are persuasive, there are valid reasons for rejecting this approach and accepting, instead, a general increase in the universal pension, provided always that we can afford the increase and that the increase is provided in a manner which is consistent with financial responsibility on the part of the government. I should like to refer again to the 1950 report of the joint parliamentary committee on old age security.

In paragraphs 59 and 60 of their findings the committee said:

> The committee has carefully considered the argument that such a universal system for persons 70 and over is economically wasteful in that it provides the same benefit to rich and poor alike regardless of their need. It is true, of course, that, under any system which abolished the means test for the group presently of pensionable age, benefits will be paid to some persons who do not "need" them on any test of personal need. But it must be remembered that to the extent that the universal pay as you go system is based on individual contributions, individuals in the upper income groups would, through their personal contributions, have bought and paid for their own retirement security, as well as making a substantial contribution towards the cost of retirement security of others.
>
> In view of these facts, the committee does not consider that it would be equitable to impose a "means test in reverse" and wholly deny retirement benefits to those individuals who have actually made the largest direct contributions to the revenues from which the universal benefits will be paid.
>
> A certain amount of the benefits paid to persons in the upper income levels will be recovered through the normal operation of the income tax.

The committee also pointed out that to make payments to those in need while refusing payments to those who have saved during their working years to provide for their retirement has the effect of penalizing and discouraging thrift and private arrangements for old age retirement which the committee felt on the whole to be desirable to maintain. Much the same point is made in the Clark report on economic security for the aged.

These principles explain the pension arrangements for which Liberal members campaigned in the last election. We campaigned for a national contributory pension plan which would be self-supporting through contributions from those now working, and their employers.

Contrary to what has been implied by members of the opposition, we did not promise an additional $10 immediately we took office and out of general tax revenues. I hold in my hand the pamphlet which formed the basis of our election campaign entitled "Better Pensions for All" published by the National Liberal Federation of Canada. It says:

> A new Liberal government will make it possible for all Canadians to take part in a contributory pension plan geared to growth in our economy. The plan will from the start be financially self-supporting through contributions. It will not require any addition to taxes. As soon as the plan can be put into legislation, a minimum additional pension of $10 a month will be paid.

And, later:

> As soon as the legislation is passed, and contributions start, the pension fund will be used to pay a minimum $10 a month to everyone aged 70 who would have been a contributor if he had been younger. Added to the existing old age pension this will mean pensions of $75 a month.

I also hold in my hand the pamphlet which summarizes the entire Liberal platform, entitled "The Policies of the Liberal Party", general election, 1963, published by the National Liberal Federation. It says:

> To help people already retired who have not had the chance to contribute under the new Liberal plan, a minimum supplementary pension of $10 a month will be paid, from the start, out of the pension fund established by contributions. This will raise the total old age pension to $75.

The suggestion made in this house by a number of the members of the opposition that we promised there would be a $10 increase

immediately after the election, and that therefore the increase should be retroactive to April, 1963, is not true.

An hon. Member: You are reading too fast.

Mr. Wahn: After the Liberal government took office, it moved immediately to introduce the contributory pension plan which it had promised during the election campaign. Very soon, however, Quebec announced its decision to institute its own pension plan and the premier of Ontario, while indicating his acceptance in principle of the federal plan, indicated that its implementation would require detailed study. This, of course, would necessarily result in delay.

A new situation was therefore created. With Quebec definitely out there can be no truly national contributory pension plan. If ultimately Ontario also decides to proceed with its own pension plan, it is difficult to see on what basis we can institute a federal contributory pension plan.

These circumstances, which were outside of the control of the federal government, led to the decision to split off the $10 increase from the general contributory plan. With Quebec out of the plan it would have been unfair to pay Quebec residents the $10 increase out of contributions made under the plan by the residents of other provinces. To have paid the $10 increase only to provinces which accepted the contributory plan and not to other provinces such as the province of Quebec would have caused disunity at a time when greater rather than less Canadian unity is required.

The decision was therefore made to pay the $10 increase to all residents of Canada and to pay it by increasing the rate of old age security tax from 3 per cent with a maximum of $90 to a rate of 4 per cent with a maximum of $120 on the taxable income of individuals applicable to the 1964 and subsequent taxation years. By providing that the increased cost of these pensions would be paid out of an increase in the old age security tax, the government came as close as it could in the circumstances to carrying out its election pledge to increase old age pensions in a financially responsible manner and without increasing the deficits which between 1957 and 1962 proved so damaging to Canada's economic strength and reputation.

Members of the opposition have suggested that the increased pensions should be paid out of general revenues rather than by the old age security tax.

An hon. Member: Don't read so fast.

Mr. Wahn: As was pointed out in the 1950 report of the joint parliamentary committee, such suggestions are more consistent with a means test than with a system of universal old age pensions which should emphasize the contributory principle.

The committee at paragraphs 29 and 30 of its findings stated:

> Under an old age assistance program, the determining factor, both as to receipt of assistance and to amount of assistance, is the need of the individual. This is the system that we have presently in effect in Canada.

That is to say, before 1952.

> Any system of old age assistance involves investigation and inquiry into the individual resources of the applicant with a view to determining eligibility for assistance and the amount thereof. It is this feature of the old age assistance program which has been most strongly criticized. But it must be kept in mind in this connection that such investigation procedures are an almost inevitable requirement of any old age security system which derives its funds from the general revenues of the country, rather than from specific contributions levied for the purpose.

Members of all parties in the house participated in that committee. The government therefore has, I believe very wisely, provided in the same resolution not only for the $10 increase in the universal old age pension but also for the means whereby the money required will be provided, from specific contributions levied for the purpose rather than from the general tax revenues of the country. It was important in 1950 and it is still important that the principle should be established, maintained and clearly understood by all Canadians that increases in social benefits, including old age pensions, can only come directly or indirectly from the income of the community generally. Anyone who suggests otherwise is guilty of attempting to mislead the public.

An hon. Member: You misled them.

Mr. Wahn: Another most important principle is involved. Failure to pay social benefits out of current taxes or out of current contributions—the habit which was followed during the years 1957 to 1962 of paying for social benefits by running massive deficits—is one of the main causes of inflation.

An hon. Member: Wait till the deficit next spring.

Mr. Wahn: Inflation is the great enemy of thrift and self-reliance, the great enemy of those who attempt to provide for their own security in their old age through their own savings.

May I refer once again to the Clark report, paragraph 1609. Professor Clark quotes Professor Kenneth Boulding who wrote in 1958 with reference to the United States:

> Inflation and deflation are by far the most important agencies in changing the distribution of income, and this has been especially so in the past three or four decades. Indeed, all the other

forces affecting the distribution of income, the rise of the labour movement, the development of agriculture policy, the tariff, even the progressive income tax itself, all taken together have not achieved half the revolution in the distribution of both income and wealth that decades of successive inflation, deflation and inflation have achieved.

Professor Clark says that while this statement is virtually impossible to prove it is probably true for Canada as well as the United States.

Consider the significance of this statement. Consider the immense importance of the labour movement, income tax, tariff and agricultural policy on the redistribution of income. But all those have not had half the effect of our failure to maintain the value of our money.

Yet the forced redistribution of income of Canadians by variations in the value of our money has not been authorized by legislation passed by this house, concurred in by the other house and assented to by the governor general. These vast changes affecting the income and property rights of each one of us have not been assented to by the people or by their representatives in parliament. In fact, the forced transfer of wealth among various groups in our country as a result of the changing value of our currency amounts to taxation without representation. It violates a fundamental principle for which members of this house are supposed to stand.

Mr. Knowles: Mr. Speaker, I rise on a point of order. I have waited until the hon. member appeared to be on the last page of his speech before raising the point of order so that he would not think I was trying to prevent him from making his speech. Citation 144 of Beauchesne, fourth edition, reads:

It is a rule in both houses of parliament that a member must address the house orally, and not read from a written, previously prepared speech, for the reason that "if the practice of reading speeches should prevail, members might read speeches that were written by other people, and the time of the house be taken up in considering the arguments of persons who were not deserving of their attention."

Mr. Wahn: I think my answer will satisfy the hon. member that he was in error. I was not in the last page of my speech.

Some hon. Members: Oh, oh.

Mr. Knowles: Then I must press my point of order. The hon. member has now admitted that he has before him a written speech and his addressing the house in this way is clearly against the rule that I have just drawn to Your Honour's attention.

Mr. Pickersgill: He admitted no such thing.

Mr. Wahn: Because of the shortage of time—

Mr. Speaker: Order, please. I also was reading citation 144 of Beauchesne with considerable interest. I must say that remarks should be kept as closely as possible to the bill before the house, and we do seem to be wandering a little bit beyond the precise, shall I say, explanatory notes. The hon. member obviously is refreshing his memory from rather full and rounded notes, but nevertheless the explanatory notes are very short and Bill No. C-98 is very short too. I wonder whether the hon. member could not capsule his remaining remarks into, shall we say, a few more minutes.

Mr. Wahn: I will be glad to do that. The notes I have in front of me do contain a large number of statistics and quotations, the product of careful research. But following your suggestion, Mr. Speaker, to capsule my remarks, may I say that I think I have made the point about the social evils of inflation and I will dispense with a long quotation from the Clark report, which I will hope to put on the record of the house at some other time, and go on to say—

Mr. Knowles: Go on to read.

Mr. Wahn: —that, as I pointed out at the beginning, between 1952 and the beginning of 1957 the value of the Canadian dollar and purchasing power were well maintained. But since that time, from 1957 to 1962, there was a continuing degree of inflation which affected the value of pension rights. I have pointed out, Mr. Speaker, that in constant dollars pension payments, after giving effect to this proposed increase, will have increased at almost twice the rate of the wages and salaries of those who must bear the cost of these pension increases. But on the basis of justice, this increase in pensions is required. Between the date of the 1950 report of the joint parliamentary committee and January, 1952, when the $40 pension payment was commenced, the purchasing power of the Canadian dollar had dropped about six points. In addition, society must in justice make compensation, because of the fact that the personal savings of those now retired and those who will soon be retiring have, over the years, been eroded as a result of persistent inflation.

If I may be permitted by hon. members opposite, I should like to quote from one whose authority in this house should be unquestioned. I refer to Graham F. Towers, former governor of the Bank of Canada, who was reported in the *Financial Post* of February, 1963, as follows:

Devaluation by a country with large imports of goods and services—that is certainly Canada's position—effectively lowers the purchasing power of the currency. This is not just a by-product of the move, but one of the intended results. While it improves the competitive position of industry by—note this—its downward influence on real wages, it also reduces the value to recipients of welfare payments of all kinds.

Devaluation is a solution which has from time to time appealed to countries overburdened by public expenditures and caught in the whirl of a relatively high cost structure. In this day and age, it is difficult to reduce the scale of payments for welfare and wages. The remedy sought is to reduce the real burden of the payments. Obviously, if the effect of devaluation is then offset by increases in the scale of payments, nothing has been accomplished and the machinery may be set in motion for repetition of the process.

In other words, the intended result of the devaluation brought about by the government of which the hon. member for Perth (Mr. Monteith) formed a part, was the reduction in real value of wages and social benefits of all kinds. The fact we have had a degree of inflation, Mr. Speaker, is the real justification for the increase in old age pensions which this government is proposing.

I wish to conclude my remarks on these pension increases, Mr. Speaker, by congratulating the government upon recognizing the need, and for its sense of responsibility in establishing, in the same resolution, the principle that taxes shall be increased to pay for the increased pensions. Quite properly members of this house insist upon proper respect being paid and proper provision made for those who are retired or are on the verge of retiring. These older people would be the first to insist that it is also of prime importance to create expanding opportunities for those who have suffered from unemployment in past years, and for those generations which are coming. We on this side of the house believe we can and we will do both of these things.

Mr. Winkler: Mr. Speaker, I wonder if I might ask the hon. member a question? My question is based upon a statement that he made. I do not wish to bring these facts into the house on a controversial basis or to prolong the discussion, otherwise I would make a speech later in the evening. I understood the hon. member to state that his colleagues campaigned—he did not specify in what election campaign—on the basis of a contributory pension plan and not the increase of $10 to the old age pensioners. Am I correct in this assumption?

I am asking the hon. member if he made that statement?

Mr. Wahn: I purposely cut my remarks short so hon. gentlemen could ask questions.

Some hon. Members: Hear, hear.

Mr. Wahn: What I said, Mr. Speaker, was that we campaigned in the 1963 election for a contributory pension plan, out of the contributions to which the $10 increase in old age pensions would be paid. This is set forth in these pamphlets which I have, and which I would be prepared to make available. I shall quote from the pamphlet, which says:

To help people already retired, who have not had the chance to contribute under the new Liberal plan, a minimum supplementary pension of $10 a month will be paid, from the start, out of the pension fund established by contributions. This will raise the total old age pension to $75 for a single or a widowed person—

I am prepared to table this pamphlet or give it to the hon. member if he wishes.

Mr. Winkler: At this particular point, the hon. member for St. Paul's certainly did mention the 1963 election campaign. However, in his previous remarks he did not say 1963.

Some hon. Members: He did.

Mr. Winkler: No, he did not. We will have a look at the record tomorrow, and if it is not changed it will not be there.

However, I should like to ask the hon. member if he is aware that other statements have been made? I am asking the hon. gentleman now because I do not want the evidence stolen out of my hands. Is he aware that it was stated in the 1963 campaign that the $75 per month pension would be paid immediately? Then, I go back to a statement made by the hon. member for Essex East (Mr. Martin), as contained in a transcript from the C.B.C., on January 30, 1962 in which the hon. member said that the Liberals will establish, at once, a new national minimum of $75 pension. I emphasize "at once". Does the hon. member know that?

Mr. Wahn: I am not familiar with the statement referred to by the hon. member. However, I do hold in my hand the official pamphlets of the National Liberal Federation of Canada, the specific pamphlets on pensions and general policy. With the consent of the house, I am prepared to table them.

Mr. Winkler: Let me assure the hon. member that I am prepared to table these statements as well.

Mr. Speaker: Order, please; this is developing into a debate between two members when the matter before the house is Bill No. C-98.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I had not intended to take part in this debate because I understood that the government were most anxious to get this legislation passed. However, it would appear that the government is not anxious to get it passed when one of their own members has taken up a good deal of time—

An hon. Member: Forty minutes.

Mr. Douglas: —damning the legislation with faint praise. I would certainly be interested in knowing if the antediluvian views which have been advanced by the hon. member for

St. Paul's represent the views of the government. If one were to judge by the applause which came from government benches when he sat down, one would assume that what he said was fully concurred in by his colleagues on the government side of the house.

Mr. Pickersgill: I wonder if the hon. gentleman would permit me to ask him a question? Does the hon. gentleman not realize that his party is not the only one in which there can be a variety of views?

Mr. Douglas: At least when we have a variety of views, we do not applaud the views with which we do not concur. When hon. gentlemen opposite applauded the hon. member for St. Paul's, I can only assume they agreed with the views he was expressing. It was for that reason I rose to make mention of it, because I think it is rather significant that the only member who has taken a dim view of this $10 per month increase is a member of the party supporting the government.

If I can gather his ideas from the welter of statistics he quoted, I understand he is making two points. The first is that the old age pension, since old age pension legislation was first introduced, has risen more rapidly than wage levels. But surely this is understandable when one realizes that old age pensions started at the miserable figure of $20 a month and have always been too low? To make a comparison between that and the increase in wage levels is a reflection on the Liberal party's viewpoint with respect to social welfare.

The second point which the hon. member was seeking to make is to the effect that putting on a tax to raise money to pay these pensions is, as he described it, an enforced redistribution of wealth. We can therefore take it that he is opposed to any type of taxation which is based on ability to pay, in order that funds might be raised to provide for those who are less fortunate than others.

This also should be made a matter of record as to where the Liberal party stands on welfare programs. As a matter of fact, far from injuring their economies, the nations which have had the most buoyant economies during the past 25 years are those that have had what the hon. member for St. Paul's calls this enforced redistribution of wealth. The table which was published by the United Nations on the standards of welfare set up by various western countries, placed Canada seventeenth on the list. It is not a very proud record; and the nations that are ahead of us, the nations that have the highest standards of health services and welfare, are all countries which have experienced a better economic growth than we have, for the very obvious reason that their welfare programs are important economic tools for redistributing wealth and redistributing purchasing power. Far from a welfare program injuring the economy of Canada, such a program will do much to promote and stimulate the economic activity of the country.

Those who have spoken on behalf of this party have made it clear that we support this increase of $10 a month. We have been asking for it for a long time. We do not think it should have to wait until there is an election in order to persuade either of the old parties to give an increase which has been so long overdue.

We also believe that this increase in pensions should be made retroactive to April 8, for the very obvious reason that the increases to civil servants were made retroactive and that the increased indemnities to members of parliament were made retroactive to April 8. For that reason alone I do not see how the government can refuse to grant the same consideration to the old age pensioners.

As my colleague, the hon. member for Winnipeg North Centre (Mr. Knowles), pointed out the other day, we think the government should move steadily toward the goal of lowering the qualifying age for the universal old age pension to 65 years, because in industry today 65 has become the normal age at which workers retire, and there is a hiatus of five years between 65 and 70 when the average worker has no means of support unless he belongs to a private superannuation plan. Therefore by lowering the qualifying age to 65 years we would make the pension available at the normal superannuation age.

I want to say to the government that we are glad it decided to separate this increase in old age security pensions from the Canada pension plan. When the minister introduced the Canada pension plan we felt then that it was wrong to ask the old age pensioners to wait until that plan had been put into effect. We are now glad the government has separated the pension plan and the increase to old age pensioners, and that the increase is now being proceeded with.

As the hon. member for Greenwood (Mr. Brewin) pointed out, we are most dissatisfied with the method which the government has resorted to in order to raise the necessary funds for this increase. The hon. member for St. Paul's, who is worrying a great deal about how the money is to be raised, ought to give some consideration to what the government is planning to do. It is planning to place the entire cost of this $10 per month increase on those people who have $3,000 of taxable income or less. This means that those who have above $3,000 taxable income

will not pay any more, although their ability to pay is much greater.

I contend that if the government were willing to remove the ceiling and to apply the 3 per cent, which is now in effect, as a surcharge on all incomes, it could raise sufficient money to pay for this increase without raising the rates at all.

I am very much concerned with one statement which was made by the hon. member for St. Paul's, to the effect that if the provinces of Quebec and Ontario decided to opt out of this plan, then we cannot have a national Canada pension plan. Mr. Speaker, we did not criticize the government for changing its mind and proceeding with the $10 per month increase without waiting for the Canada pension plan. We do not criticize it, because we are glad it changed its mind, but we think we have a right to some assurance from the Minister of National Health and Welfare that this change of mind does not mean the Canada pension plan is to be dropped. We are entitled to some assurance from the minister that there will be no uncertainty about proceeding with that plan.

We know the Canada pension plan is under attack from the insurance companies of Canada. We know they are carrying on a lobby against it, a lobby of the provincial premiers and of the members of parliament. We know that speeches are being made, and literature is being disseminated, to discourage public men and women from proceeding with the Canada pension plan. Before this debate concludes the minister ought to give the house some assurance that the reason the government changed its mind, and decided to proceed with this $10 per month increase now, is merely because it did not want the old age pensioners to have to wait a number of months.

She should also assure the house that the reason is not because it is the government's intention to drop the Canada pension plan, because I disagree most strongly with the hon. member for St. Paul's and I say that if Quebec decides to have its own plan, and if the province of Ontario decides to proceed with its plan, there is no reason whatever why the other sections of Canada, which may want to proceed with a plan, should not enjoy the privileges of a national Canada pension plan.

Legislation can be drafted by which the provinces that want to opt out and conduct their own plan can do so. The Canada pension plan could apply to the remaining provinces. Within the terms of the legislation provision could be made for portability between the national plan and any provincial plans which may come into effect. But I must say I am disturbed that the hon. member for St. Paul's may be flying a kite for the government when he suggests that if Quebec and Ontario opt out it may not be possible to have a national Canada pension plan. I hope the minister will take the opportunity in this debate to make it clear beyond any shadow of doubt that it is her intention and the government's intention to proceed with the Canada pension plan legislation so that those provinces which do not wish to opt out and are prepared to avail themselves of a universal, national pension plan will be able to do so. I think the house and the country are entitled to that assurance. If we do not get that assurance the suspicion will be widespread in Canada that already the death knell has sounded for the Canada pension plan.

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I must say that I did not intend to participate in this debate but after hearing the opinions expressed in the various corners of the house, I came to the conclusion that it would not be difficult to say something which would be just as interesting and useful for the Canadian people.

May I say, first of all, that I commend the government for introducing a bill to increase old age pensions. It might be appropriate to point out that it was thanks to the co-operation of the opposition that the government was able to propose such an increase.

It will be recalled that, at the beginning of the session, the government had decided to grant an increase only in January. However, following the pressure that was brought to bear by the people and the opposition, the government has decided that the increase will start in October.

Does this mean that I am commending the opposition for the part it has always played up to now? I do not think so. As a matter of fact, I feel that it is proper at this time to remind all members of the house that the people sent them here to play a part and that they must do their best as far as possible.

I should also like to remind opposition parties that if the Canadian people had wanted them to be in power, they would have elected them.

That is why I think that we have lost valuable time on the matter of pension increases simply because party leaders attempted to exaggerate the mistakes of the government, to set traps for it and try on every occasion to introduce non-confidence motions.

Once again, if the Canadian people had wanted one or the other of the opposition parties to be in power, they would have elected them as such.

Once more, I repeat that the role of the opposition is to guide the government, to make suggestions and to hope that it will propose the best possible legislation, and not to constantly set a trap, to offer amendments which only delay the implementation of legislation such as this one, which, at first sight, seems to us absolutely sound.

It is evident that had this increase been retroactive to May 8, our older people would have had more benefit. It is equally evident that had retroactivity gone back to 1957, 1958, 1960 or 1961, our older people would have equally gained more. But, alas, such is not the case.

We hear today that it would have been preferable for the increase to be retroactive. It would equally have been preferable to grant our older people this increase at the age of 65 years, or even better, at 60 years, 55 years, 50 years. Well, the government has brought in legislation which specifies that they will get an increase of $10 a month at 70 years.

I realize that the government could have found a more interesting way of levying taxes, and on this point, I am almost in agreement with the leader of the New Democratic party when he says that the government could have left the tax at 3 per cent and taken away the ceiling, so that the person whose taxable income is $5,000 or more would pay a larger part of the cost.

On the other hand, I am sure that if we went around the country today and asked the son whose father is 70 years old if he is ready to pay 1 per cent on his salary in order that his needy father might receive an increase of $10 on his pension, I am sure that everywhere in Canada that son would say "Yes, I am ready to do that for my needy father."

In my opinion, the opposition has played its role and has suggested an alternative to the government. I hope that the government will adopt the best possible policy to help our older people and that it will bring in other beneficial pieces of social legislation.

But I say nevertheless that the role of the opposition is to guide the government; and if the government brings in other similar social measures, which will benefit all Canadians, it is with pleasure that we shall support those measures.

[*Text*]

Mr. Speaker: The hon. member for Waterloo North.

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, in order that we may close this debate I will forgo my time to speak now. I would like the debate to come to a close.

Mr. Speaker: The hon. member for Parry Sound-Muskoka.

[Mr. Girouard.]

Mr. G. H. Aiken (Parry Sound-Muskoka): Mr. Speaker, I will also forgo my right to speak.

Motion agreed to and bill read the second time.

Mr. Speaker: Miss LaMarsh, seconded by Mr. Pickersgill, moves that I do now leave the chair for the house to go into committee of the whole on the said bill. Is it the pleasure of the house to adopt the said motion?

Some hon. Members: Agreed.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I rise on a minor point, but the Secretary of State (Mr. Pickersgill) is not in the house and it is impossible for him to second the motion.

Mr. Speaker: With the unanimous consent of the house Mr. MacNaught will second the motion. Agreed?

Some hon. Members: Agreed.

Mr. MacNaught: I second the motion, Mr. Speaker.

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

On clause 1—*Payment of pension.*

Mr. Douglas: Mr. Chairman, needless to say, we heartily endorse this first clause in the legislation. However, I want to ask the minister if she is prepared to make any statement now regarding the matter I raised in the debate on second reading. I thought she might make some statement at that time, but she may have felt that to prolong the debate would involve the risk of carrying the debate on until tomorrow. However, it seems to me that clause 1 would provide a very excellent opportunity for the minister to give some assurance to the committee and to the country that the government's change of mind with respect to separating the increased pension for the old age security recipients from the Canada pension plan was motivated purely by a matter of timing and that it is still the government's intention, irrespective of what may be done by either the insurance companies or the provinces of Ontario or Quebec, to proceed with the Canada pension plan legislation at an early date.

Miss LaMarsh: My hon. friend has asked something which should be apparent to him. May I refer him to page 3038 of *Hansard*, where I am reported as having said at the resolution stage of the bill:

> This present measure is, Mr. Chairman, a solid step in the right direction, but the government sincerely hopes that the Canada pension plan will be introduced before too long to provide adequately for the retirement of our older people.

I hope that satisfies my hon. friend.

Mr. Douglas: Just to follow that up for a moment, the minister has answered in a very nebulous manner and I would ask the minister to be fairly specific. Does that mean that we will proceed with the Canada pension plan legislation at this session of parliament?

Miss LaMarsh: My hon. friend knows that there is a reference in the speech from the throne to the Canada pension plan. He knows that a resolution appears on the order paper. He knows that the house has been delayed in presenting this legislation in the past two weeks. We were three days on the resolution alone, although the bill has only two clauses. I can only say that my intentions are as always with respect to the Canada pension plan.

Mr. Douglas: Mr. Chairman, I do not like playing cat and mouse with questions like this.

Some hon. Members: Oh, oh.

Mr. Douglas: I apologize, Mr. Chairman. I should have said kitten and mouse.

Miss LaMarsh: I rise to purr.

Mr. Douglas: Surely it was not too difficult for the minister to have said yes, rather than to tell us that it was in the speech from the throne. Every hon. member here can recall things in the speech from the throne which have never seen the light of day. That it was in the speech from the throne does not mean anything. The fact that there is a resolution on the order paper does not mean that it may not remain there and die on the order paper. All I am asking the minister to say is yes, that it is the intention of the government to proceed with the Canada pension plan legislation at this session of parliament. That is all, there is no problem.

Mr. Monteith: Mr. Chairman, I should just like to ask the minister if she will clarify the point, because actually the resolution on the order paper now states, among other things:

> —for the payment of an additional pension of ten dollars a month to all persons to whom a pension may be paid under the Old Age Security Act;

I ask the minister simply whether she is going through with this resolution. Does she contemplate amending it?

Miss LaMarsh: Obviously, Mr. Chairman.

[*Translation*]

Mr. Pigeon: Mr. Chairman, during the debate on second reading, I asked the minister a question and I wish to repeat it because she did not reply.

Why does the government refuse to increase pensions from 65 years of age and also increase pensions for the blind and disabled, as is done by this legislation for persons 70 years of age and over.

I think that this is a discriminating attitude on the part of the government, a discrimination against the disabled and the blind and persons from 65 to 70 years of age.

I ask the minister, who is a very charming person, to give me a logical and positive explanation.

[*Text*]

Miss LaMarsh: Mr. Chairman, the hon. member, who has shown in the recent past that he has either little knowledge of, or little care for, the rules of the house, should be well aware as a member of some experience that one does not amend the Old Age Assistance Act, the Disabled Persons Act and the Blind Persons Act by presenting an amendment to the Old Age Security Act.

[*Translation*]

Mr. Pigeon: Mr. Chairman, as a supplementary question, I should like to ask the minister: Does the government intend, in the course of this session, to present another bill to increase the pension paid to the disabled and the blind?

Some hon. Members: Order.

Mr. Chairman: Order. I am sure the hon. member will agree that during this debate we must talk solely to the resolution before the committee.

[*Text*]

Mr. Grafftey: Mr. Chairman, I hope I will succeed in getting an answer if for the third time I put my question to the minister. I believe the answer is either yes or no. It is very important for the purposes of debate that the house have a final answer from the hon. lady. Again I ask her: When she introduced her legislation for a universal contributory pension plan on July 18, was she or was she not aware of Mr. Lesage's intentions to proceed with a plan in the province of Quebec? Now, yes or no.

Some hon. Members: Order.

Mr. Grafftey: I do not think that is too much to ask for.

The Chairman: Order. I would think that that question—

Mr. Grafftey: Mr. Chairman—

The Chairman: I suggest to the hon. member that he should remain seated while I make my comments regarding the objection raised. I do not want to be too strict because this is a discussion in committee, but it seems to me that the question which has been

asked by the hon. member now is considerably beyond the scope of the bill before the committee.

Mr. Grafftey: Mr. Chairman, I have read comments outside this house in the last two days, and a lot of people feel that it is irresponsible politics on my part that I keep asking this question.

Some hon. Members: Hear, hear.

Mr. Grafftey: But this could have been avoided a long time ago if the hon. lady had taken the house into her confidence and given us a forthright yes or no answer to what she realizes is a very important question. Because a lot of the time of the house would have been saved if the hon. lady had been forthright with us. It is terribly important that she tell us whether or not she was aware of Mr. Lesage's intentions when she introduced her legislation.

Mr. Forgie: I suggest the hon. gentleman ask Mr. Lesage.

Mr. Grafftey: I am sure the chairman will forgive me if I do not treat that interjection with any seriousness. But I do hope that the hon. lady will finally give the house an answer.

Miss LaMarsh: Perhaps I might treat my hon. friend's interjection in the same way in which he treated the previous member's interjection.

Clause 1 agreed to.

On clause 2—*Tax payable by individuals.*

Mr. Howard: Mr. Chairman, before we proceed with clause 2 I should like to take the opportunity of following up the very eloquent and forceful remarks and suggestions made by my colleague for Greenwood earlier when discussing the bill on second reading. He made the suggestion that we have no need to raise the tax by one percentage point, and that a much more equitable and fair manner of dealing with and raising the money for this increase of $10 would be by way of removing the ceiling on the tax and leaving the level at the same rate of 3 per cent. The Minister of Finance, when he replied to the suggestion by the hon. member for Greenwood, approached the question with such gentleness that I am sure in his heart he agreed with the suggestion, but for the sake of putting up a good front on behalf of his cabinet colleagues he had to reject the idea, well merited though it was.

The leader of our party, the hon. member for Burnaby-Coquitlam, has just said that the Minister of Finance indicated that there was much to be said on both sides, which is quite true and is typical of the attitude of this particular minister and his government, that of taking a stand on anything and putting up each side of the question.

However, I should like formally to move an amendment to this clause in order to put into effect the principal point made by my hon. friend from Greenwood earlier today on behalf of the New Democratic party. The amendment reads as follows:

That clause 2 be deleted and the following substituted therefor:

I believe the deletion of the entire clause is necessary because two or three alterations are proposed and the amendment reads with greater clarity if that is done. It continues:

2. Subsection (3) of section 10 of the said Act is repealed and the following substituted therefor: "(3) Every individual liable to pay tax under Part I of the Income Tax Act for a taxation year shall pay an Old Age Security tax for the year equal to 3 per cent of the taxpayer's taxable income for the year."

The amendment uses the wording of the proposed statute but it does, in reality, three things. It leaves the proposed tax as it is at the moment, at 3 per cent, but eliminates the ceiling so that those of us in higher income brackets or above that ceiling—and all members of parliament are now at that level or above it—will be paying a just and equitable share toward the old age security fund. The amendment, in addition, eliminates the proposal to make this applicable to the coming taxation year. Instead, the tax becomes applicable in the current taxation year, the one in which members of parliament received such a substantial raise and the one in which the old age pensioners are to receive the $10 raise.

Mr. Gordon: The hon. member for Skeena in presenting this amendment suggested I had been somewhat gentle in discussing the proposal which was put forward on second reading by the hon. member for Greenwood. I hope I shall always be gentle when I am replying to the hon. member from Greenwood, who is an old friend of mine. The hon. member for Skeena also said I had suggested there was something to be said on both sides of this question. I agree with him. I think there is something to be said on both sides of most questions. But I also said I had reached the conclusion that it would be unwise to accept the proposal which was put forward by the hon. member for Greenwood, and that if there was a case for a review of the structure of personal income tax it would be far better taken up when the subject of the personal income tax itself was under review. I think it would be wise to wait—

The Chairman: Order. I regret to interrupt the hon. minister but it seems to me that before going into the essence of the proposal

put forward by the hon. member for Skeena the Chair should be given an opportunity to rule on the validity of the amendment.

In the very few minutes I have had at my disposal since this amendment has been proposed to the committee I have looked up certain authorities and I should like to make the following ruling: This amendment is out of order for the reason that it seeks to introduce a new proposal which is outside the scope of the bill as it was approved earlier today on second reading. It is, therefore, irrelevant and I should like to quote from May's Parliamentary Practice, sixteenth edition at page 421, where it says:

> Stated generally, no matter ought to be raised in debate on a question which would be irrelevant if moved as an amendment, and an amendment cannot be used for importing arguments which would be irrelevant to the main question.

The proposal put forward by the hon. member is one which would have the effect of negating an essential principle of the bill as approved on second reading.

I submit, also, that it is out of order because it seeks to change the incidence of the tax as implied in the bill. I should like to refer hon. members to Beauchesne, fourth edition, paragraph 276 where it is stated:

> In early editions of this book (Sir T. Erskine May's Parliamentary Practice), it was stated that "the crown has no concern in the distribution of taxes." Hence amendments were at first permitted which proposed the substitution of a different tax for a tax proposed by the government (provided that both were estimated to yield an equivalent amount) on the ground that the necessity of next taxation to that extent had already been declared on behalf of the crown. In modern practice this view is regarded as incomplete, and so requiring to be, supplemented by the view that the royal initiation in taxation implies the exclusive right to define the incidence as well as the amount of burdens to be placed upon the people, and that an amendment which transfers a burden to taxpayers not previously liable is an infringement on this initiative.
>
> The motion by which a tax is proposed in committee of ways and means is now treated as an effective expression of the financial initiative of the crown, and therefore as the standard in relation to which the admissibility of amendments is determined. Accordingly an amendment is debarred, not only from increasing the rate of a tax, but also from extending its incidence to new classes, even while proposing to relieve other classes of payers.

For these reasons I declare, with regret, that the proposed amendment is out of order.

Mr. Douglas: If Your Honour rules this amendment out of order—and I do not agree with you on the question of relevancy, though I do not intend to argue your ruling now you have given it—may I say I think it is a great pity that the government should not be prepared to accept it. The reasons given this afternoon by the Minister of Finance for not doing so were, it seemed to me, flimsy. The first ground for refusal was, as I recall it, that if we intend to revise personal income taxes this is not the time to do it. Well, of course, it is never the time to do it. The fact is that we are now proposing taxation which is not equitable, taxation which is not levied on the basis of ability to pay. The hon. gentleman says some other time would be the time at which to do what we are asking, which means it will never be done. If the committee intends to deal with this question it should deal with it now.

The other objection the Minister of Finance had was that those in the upper income brackets would be paying a great deal more than the rest, but they would not be eligible for any greater benefits and that we would therefore be taxing them in respect of benefits they were not going to get. I submit that this is precisely what we are doing now, only with respect to people in the lower income brackets. For instance, a man who all his life never earns more than $2,000 or $2,500 a year may never pay this tax, yet he will naturally draw a full pension. Surely, the whole principle of taxation is "From each according to his ability to pay and to each according to his needs". That is the principle of all welfare legislation.

An hon. Member: It is the principle of Marxism, too.

Mr. Douglas: We pay our taxes on the basis of ability to pay and the return we get is not necessarily commensurate with what we have contributed. No one has ever suggested that this is an insurance plan. It is an old age security measure which entitles people to a certain income at a certain age irrespective of whether they have contributed anything to the fund or not. The return which a senior citizen is entitled to receive has nothing to do with what the citizen may have paid in over a period of years. Therefore it is beside the point to suggest that if the ceiling is removed a taxpayer with $10,000 or $12,000 taxable income will be paying more without getting any larger return when he is eligible. It seems to me that on the basis of good welfare legislation—not insurance legislation but good welfare legislation—the proper thing to do is to say that the payments will be levied on the basis of ability to pay on the entire taxable income. If this were done it would remove the necessity of increasing the rate from 3 per cent to 4 per cent. I certainly believe that the government should give very serious consideration to this point because I think the people of Canada would recognize the equity in the proposal we have made.

Mr. Churchill: Mr. Chairman—

The Chairman: Does the hon. member for Kootenay East wish to ask the previous speaker a question or is the hon. member asking for the floor?

Mr. Byrne: I am asking for the floor.

The Chairman: I have already recognized the hon. member for Winnipeg South Centre.

Mr. Churchill: I will not be very long. The remarks made by the hon. member for Burnaby-Coquitlam indicate a serious weakness in this particular portion of the bill to which objection was taken by the hon. member for Perth at the resolution stage. The hon. member for Burnaby-Coquitlam was entering upon a debate on income tax or methods of raising money which would have been more fitting in a budget debate.

I am surprised that the Minister of Finance has permitted this section of the bill to be included in the legislation because it restricts his room to manoeuvre in his budget arrangements. I wish to reinforce the protest lodged earlier by the hon. member for Perth against this method of combining in a bill a system of raising the money to pay for the expense created by the other portion of the bill. I think this is unsound and I want to put it on record that we do not accept this as a precedent if other legislation should come forward involving a section on money raising in the bill.

The nature of the bill is such, and the time we have spent on it has been sufficiently prolonged, that we do not wish to take any more time discussing these matters. Nevertheless, the particular subject I have been dealing with is vital in legislation, and consequently I make these remarks at this time so there will be no mistake about our position in the future if something similar is done with some other piece of legislation.

Mr. Byrne: Mr. Chairman, in intervening at this point in the debate it is not for the purpose of assisting the minister in defending the legislation because certainly she is quite capable of handling it entirely on her own. However, I do take exception to certain statements made by the hon. member for Skeena when he spoke and introduced the amendment which you subsequently ruled out of order. In supporting his contention that the tax should be applied to taxable incomes above $5,000 he said that members of parliament had increased their pay during the spring session.

Some hon. Members: Order.

Mr. Byrne: If the hon. member feels that was improper or if he now feels that he should not have accepted the increase, I suggest that he avail himself—

[Mr. Churchill.]

Some hon. Members: Order.

Mr. Byrne: —of the suggestion made by the hon. member for Quebec-Montmorency.

The Chairman: Order. I am sure the hon. member will recognize that he is straying quite far from the bill before the committee and I would ask him to limit his remarks to the bill and particularly to clause 2 thereof.

Mr. Byrne: I am limiting my remarks entirely to the clause. Surely if the hon. member for Skeena has the right to introduce matters extraneous to the clause I should have the right to reply.

The Chairman: Order. I would remind the hon. member that the Chair brought the previous speaker to order when I felt he was straying from the bill before the committee. Even if by error the Chair failed to bring a previous speaker to order when it should have done so, if at this time the situation is recognized in the way it should be I would ask for the co-operation of the hon. member.

Mr. Churchill: On a point of order, I was the previous speaker. I do not think you intended to refer to me.

The Chairman: No, to one of the previous speakers.

Mr. Byrne: Mr. Chairman, I feel that the determination of the maximum at $120 is a reasonably fair arrangement. I want to remind hon. members that members of parliament, who may now reach a taxable income of $5,000 or more do not at any time receive old age security payments by reason of the Members of Parliament Retiring Allowances Act.

An hon. Member: Nonsense.

Mr. Byrne: They do not receive old age security payments. This is really no argument that the hon. member for Skeena has presented, and if on reflection he feels he should not be receiving the increased indemnity he should in conscience opt out.

Mr. Olson: Mr. Chairman, I was somewhat surprised that the Minister of Finance, in rejecting some of the suggestions made by members on this side of the house, said that this was an inappropriate time to amend the Income Tax Act. If clause 2 of this bill is not a partial amendment or revision of the Income Tax Act, what is it?

[*Translation*]

Mr. Perron: Mr. Chairman, at this stage of the bill and before dealing with the subject matter, I wish to direct a question to the Minister of National Health and Welfare (Miss

LaMarsh). I hope that, with her usual kindness, she will give me an answer.

Does the minister admit the correctness of the statement of the hon. member for St. Paul's (Mr. Wahn), who suggested that it was a matter of principle that the increase in old age pensions is to be financed by an increase in income tax?

[*Text*]

Miss LaMarsh: I am sorry, but either the interpretation was incorrect or I did not understand the question.

[*Translation*]

Mr. Perron: Mr. Chairman, for the information of the minister, I will repeat my question.

Does she consider that the hon. member for St. Paul's (Mr. Wahn) has stated the policy adopted by the government, that is to finance the cost of higher old age pensions by means of an income tax increase?

[*Text*]

Miss LaMarsh: I am not sure I understood the purport of the question. However, I should like to say to the committee that I quite agree with the hon. member for St. Paul's that the proposal of the government was always tied to taxation, that taxation being by way of contributions to the Canada pension plan. The payment of the increased $10 was to be paid from that source, which is a type of taxation; the government, by reason of the unanimous resolution of the Quebec legislature was required to separate this $10 increase from the Canadian pension plan. The government therefore continues to apply the principle of raising, by contributions from the public, the necessary amount for the increase.

An hon. Member: We have the reason at last.

Miss LaMarsh: I said that at the resolution stage.

[*Translation*]

Mr. Perron: Mr. Chairman, it seems to me that this does not answer exactly the question I had asked, but since nearly half an hour has been necessary to outline a principle aimed at justifying the increase in income tax to finance a $10 increase in old age pensions, which we approve, it is imperative to set the record straight.

During his speech, the hon. member for St. Paul's quoted certain statements made by Mr. Graham Towers in support of the principle he was setting forth.

Now, allow me to point out to the house that at the time he appeared before the committee on banking and commerce, in 1939, Mr. Graham Towers made other statements. In fact, when he was asked about the way the government obtained funds, Mr. Towers replied:

> There are three ways for the government to secure money: by taxation, by borrowing the savings of the people or by borrowing to create additional money in the economic process, an act which is connected with the monetary expansion policy.

Since Mr. Towers has been quoted as an authority on financial matters, I feel that we should also recognize the principle of creating credit for the government of Canada and for the country, since Mr. Towers agrees that the government can obtain money by means of monetary expansion, a scheme which consists in borrowing to create additional money in the economic process.

Mr. Chairman, at this stage I feel it would be time to change our system and to move an amendment to the section under consideration. I hope that the government will not give us the same reply as the Minister of Finance (Mr. Gordon) who said earlier that we could not put estimates out of balance, when the last budget did not mention at all this 1 per cent increase.

In addition, the Minister of National Health and Welfare admitted a moment ago that provision was made in the speech from the throne for another means of financing her old age pension contributory plan.

Therefore, I feel that the amendment I wish to introduce is in order and would change nothing at all to the provisions of the present Old Age Security Act.

Consequently, with the support of the hon. member for Roberval (Mr. Gauthier), I move:

> That section 2 be repealed and that the following words be substituted therefor: "The necessary funds for the increase will be advanced by the Bank of Canada".

[*Text*]

The Chairman: Perhaps the Chair might be allowed to rule at this point on the proposed amendment. In my opinion, this amendment proposing a change in the propositions contained in the bill is in error for at least one of the reasons which I advanced in connection with the previous amendment. In my opinion, the amendment is not relevant to the question on which an amendment is proposed.

I should like to quote again from May's Parliamentary Practice, sixteenth edition, page 421:

> Stated generally, no matter ought to be raised in debate on a question which would be irrelevant, if moved as an amendment, and an amendment cannot be used for importing arguments which would be irrelevant to the main question.

Clearly the suggestion made in the amendment is irrelevant to the main question in that it brings forth arguments which are irrelevant to the main question. I think that

for this reason principally, and others which might be cited but which are not necessary, I shall have to rule the amendment out of order.

[*Translation*]

Mr. Chapdelaine: It is with a great interest that I listened to the unacceptable solutions of the hon. member for Burnaby-Coquitlam (Mr. Douglas), and the amendment he proposed was, of course, declared out of order. The amendment of the hon. member for Beauce (Mr. Perron) inviting the Minister of Finance (Mr. Gordon) to obtain money in another way than the one mentioned in section 2 of the bill, was also rejected.

I should like to ask the Minister of Finance whether it would not be possible now to initiate a reform of the Bank of Canada in order to find the necessary amounts. The time will come when we will have to stop levying taxes, as they already have started to do in the United States under the Kennedy administration.

I should like to know whether the minister is aware that the chartered banks have now the power that we, members of parliament, grant them, namely to create 12 times the money they have in deposit with the Bank of Canada. If gradually we want to cease levying taxes, we shall have to take away from the chartered banks—

The Chairman: The Chair would be grateful to the hon. member if he would come back to section 2 of the bill under study.

Mr. Chapdelaine: I was suggesting to the minister how to find the necessary funds without having to levy taxes, and this is relevant to section 2 which provides for the raising of the funds necessary to finance the increase in old age pensions.

I merely want to know if it would be possible to gradually take away from chartered banks this power which we, the parliament, have given them and which enables them to create 12 times more money than their deposit with the Bank of Canada. Then, if we took away from chartered banks merely one fourth of the powers which we gave them to create this money, we could find more than five times the money necessary for the financing of this increase in old age pensions.

Could the minister tell me if he realizes that such a solution could be carried out?

[*Text*]

Mr. Peters: I would think, Mr. Chairman, after listening to the remarks that have been made tonight, the government would be aware of the fact that there are a number of ways in which this $10 increase could be paid and clause 2 of the bill could be operative. Having listened to the remarks of the chairman and the citations he used, I would think it would be very difficult for an opposition member to move a motion which would accomplish what a great many people want accomplished, to have the tax spread over a wider structure so that those better able to pay could do so.

I believe this is a problem which will face the government in the next few days. There is a general resentment amongst the public at increasing taxes at this time, and this is due to the statements made during the recent election and some of the promises that were made. The Minister of Finance knows that if we maintain the rate of 3 per cent and remove the ceiling this will bring in about $116 million, which is very close to the $100 million suggested by that 1 per cent raise. It is just that simple.

We must ask ourselves, are we going to satisfy the rich people of the country and add 1 per cent on to the amount paid by the poor people, when we could accomplish the same thing if we took the ceiling off and let the rich make payments? Are we going to support the rich of the country at the expense of the overburdened poor?

Mr. Valade: I have just a few remarks to make, and I want to pick up what the hon. member for Sherbrooke (Mr. Chapdelaine) has said. If the Minister of Finance has some difficulty in raising the funds, then I suppose that in Social Credit ridings he could always annul the $10 per month contribution that Social Crediters are obliged to pay to their party. This would amount to $120 per year per member, and could be used as a contribution to the old age pensions.

[*Translation*]

Mr. Chapdelaine: Mr. Chairman, to restore some degree of seriousness in this house after the broad remarks of the hon. member for St. Mary (Mr. Valade), I would ask the Minister of Finance—

Mr. Valade: Mr. Chairman, I rise on a question of privilege. I know that the hon. member for Sherbrooke (Mr. Chapdelaine) is a newcomer to the house, but he has no right to make unparliamentary remarks, such as the rude words he just used.

When I speak of Social Crediters, I know that I am being free-spoken because the word is broad.

Mr. Chapdelaine: Mr. Chairman, broadness is something that is inborn, it is not external.

Mr. Chairman, the Minister of Finance was ready to answer the question I put to him. I simply want to ask him whether he is aware that it would be possible to raise money in that manner.

[*Text*]

Mr. Gordon: Mr. Chairman, I suppose all government expenditures for a time could be financed either by borrowing or by inflation of the monetary system, but sooner or later this would lead to a great deal of trouble which would hit everybody in the country, and particularly those in the lower income brackets. Obviously there are alternative ways in which this particular expenditure could be financed, but in the opinion of the government, and in the circumstances, the method proposed is the preferable way.

Instead of indulging in a longer answer to this question perhaps I might be permitted to remind hon. members of the committee that we are about to have royal assent and they might be willing to leave this question. This is the view of the government, that this particular expenditure should be financed in this way, and perhaps we could move on to the next item of business.

The Chairman: Shall clause 2 carry?

Mr. Knowles: Mr. Chairman, would you call for the yeas and nays on this clause?

Clause agreed to: yeas, 127; nays, 25.

Title agreed to.

Bill reported and read the third time and passed.

THE ROYAL ASSENT

A message was delivered by Major Alfred Fortier, Assistant Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bills:

An Act for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1964.

An Act for the relief of Madeleine Francoise Hankowski.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader if there is any change in the order of business for tomorrow?

Mr. Pickersgill: Yes, Mr. Speaker. I hope the hon. gentleman will not feel that there is any departure from proper procedure but the Prime Minister did indicate some time ago that if the effort to establish a private trusteeship was not successful the house would be asked to proceed immediately with the first stage of that legislation, which is the resolution now on the order paper. That, therefore, will be the first item of business for tomorrow. As tomorrow is a Wednesday I suppose it will probably be the only item of business, but should it be concluded we would then proceed with the program which was uncompleted today, that is to say the Northwest Territories bill and the bill for the other territory, and the vocational training measure.

It being ten minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, October 9, 1963

The house met at 2.30 p.m.

PRIVILEGES AND ELECTIONS

Second report of standing committee on privileges and elections—Mr. Caron.

[*Text*]

NATIONAL DEFENCE

ANNOUNCEMENT OF STORAGE OF NUCLEAR WARHEADS AT U.S. BASES IN NEWFOUNDLAND

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I wish to inform the house of the continental defence arrangement which the government has entered into with the United States government concerning the storage of nuclear warheads in Canada for United States interceptor aircraft stationed in two United States leased bases in Newfoundland. The arrangement which has been concluded was the result of negotiations to which I referred in the house on May 20 and again on June 7. It is in the form of an exchange of notes and specifies the conditions under which nuclear air to air defensive weapons will be stored for United States air force interceptor aircraft under the operational command of the commander in chief of the joint North American air defence command stationed at United States leased bases in Newfoundland.

Under the arrangement operational use of these defensive weapons would be governed by the operational plans of NORAD, approved by both governments. In other respects as well, such as the strict safety measures which will apply, the terms now agreed parallel those relating to the conditions under which warheads will be made available to Canadian forces as announced on August 16. In accordance with the requirements of national security, military details cannot be made public.

This exchange of notes complements that of August 16 relating to Canadian forces in that it will permit all NORAD air defence forces stationed in Canada, regardless of their nationality, to be equipped with weapons which, it has been agreed, are presently required for them to fulfil effectively their role of protecting this continent against bomber attack. As a result, the Canadian and United States forces assigned to NORAD for the air defence of North America, wherever they are stationed, will have the means at their disposal to discharge their defensive task, a task which we all hope they will never be called upon to perform.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, of course, the house is in the same position as it has continued to be under this government in that the information made available to us is of so sketchy a character as to deny us the opportunity of knowing whether or not, in any agreement entered into, the sovereignty of Canada is protected or whether Canada is placed in a subservient position. Furthermore, it is a matter, I think, of interest to know that during the election campaign the present Prime Minister told us that the Canadian government intended to negotiate itself out of the possession of nuclear weapons or their storage in Canada.

Naturally the house would appreciate the opportunity to learn something of the negotiations, if any, that have gone on, for it strikes me as passing strange that a government that intends to negotiate out of nuclear weapons now places itself in a position where millions of dollars will be expended for the storage of nuclear weapons. At the same time, in the back of its mind, the government intends to bring about by renegotiation the removal of those things that they are now going to expend money upon for storage purposes.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the statement which has been made by the Prime Minister simply forges another link in the chain which is now binding Canada to the United States as a military satellite, and is one more step toward making Canada a nuclear power.

We in this group protest most vehemently that these announcements are being made without any documents being placed before parliament and without full knowledge of the facts being made available to hon. members of the house. It seems to us that this agreement ought to be filed in the house, as

should the agreement with reference to the acquisition of nuclear arms for Canadian forces.

I would urge the Prime Minister first of all to make this information available to the house. If he is not prepared to make it available to the house, he might at least agree to make it available to the parliamentary committee on defence so that the members of that committee would have an opportunity of perusing this information and of questioning the ministers concerned regarding it.

I would also urge that the Prime Minister set aside a day fairly soon for the discussion of this whole question of Canada's becoming a military satellite of the United States or being boxed more and more into a nuclear role, out of which the government itself promised to negotiate us. If the government does not avail itself of such an opportunity, then those of us in the opposition groups would have to take whatever opportunity we can find to raise this question and have it fully debated in the house.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, we note with keen interest the announcement which the right hon. Prime Minister has made in regard to the continuance of what has been the declared policy of the Liberal party respecting our obligations for the defence of this continent. However, I am of the opinion that this information, in its greatest maximum detail, should be made available to the defence committee so that the committee can fulfil the obligations which rest upon it, and so that we can know for sure that the policy which is being followed by the government is the one that is essential at this point.

So far as defence is concerned the real need which we in Canada have today is to strike out on a new role, such as that which we heard the Minister of National Defence talking about a few weeks ago, concerning our share in the defence of the continent as it relates to a non-nuclear mobile defence force which can play an essential part in the defence of our country, and can also play its part in the defence of the free world whenever it may be called upon to do so. We in our party trust the government will move forward with this suggestion and that the defence committee will be utilized to its maximum effect.

Mr. Caouette: Mr. Speaker—

Mr. Speaker: I must point out, even though it should be obvious to everyone in the house and I hope it is not misunderstood, that I have taken the stand from the opening of the present session, and will continue to do so until I have received formal instructions from the house, that on motions I am bound by the rules of the house just to recognize spokesmen of recognized parties in the house.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege.

In my opinion, we have the right to express our opinion at this time when the Prime Minister makes a statement.

Considering that we are legally elected representatives of the people, why are we denied the right to speak when we have something to say?

I should like you to give a decision in that regard, since I have a few remarks to make concerning the Prime Minister's statement.

[*Text*]

Mr. Speaker: I am very sorry but I must hold to the original position I have taken from the beginning, and when the house gives me formal instructions to recognize the leader of a new party I will be delighted to do so. Until such time I am bound by the facts as they are.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, since it does not belong to the house to recognize a political party but rather to the voters themselves and to the members to form such a party, I appeal from your ruling.

[*Text*]

Mr. Speaker: Hon. members will have heard the discussion and the decision of the Chair. From the decision of the Chair an appeal is taken. Those in favour of upholding the decision of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

Mr. Speaker: I believe the yeas have it.

And more than five members having risen:

Mr. Speaker: Call in the members.

Some hon. Members: Question.

Mr. Speaker put the question as follows:

The hon. member for Villeneuve, having risen to comment with regard to a ministerial statement, and the Chair having stated that in recognizing the hon. member it would, in effect, be deciding upon a question which had been referred to the standing committee on privileges and elections, the Chair went on to say that in accordance with practice it was bound to recognize only leaders of recognized

parties; whereupon the hon. member for Lapointe appealed to the house from the ruling of the Chair.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Addison
Aiken
Alkenbrack
Asselin (Richmond-Wolfe)
Badanai
Balcer
Baldwin
Basford
Batten
Bechard
Beer
Bell
Benidickson
Benson
Berger
Bigg
Blouin
Boulanger
Byrne
Cadieu (Meadow Lake)
Cameron (High Park)
Cantelon
Cantin
Cardiff
Cardin
Caron
Chapdelaine
Chatterton
Chevrier
Chretien
Churchill
Clancy
Coates
Cooper
Cote (Chicoutimi)
Cote (Longueuil)
Cowan
Crossman
Crouse
Cyr
Danforth
Davis
Deachman
Denis
Deschatelets
Diefenbaker
Dinsdale
Doucett
Drury
Dube
Dupuis
Emard
Enns
Ethier
Eudes
Fairweather
Fane
Fleming (Okanagan-Revelstoke)
Forbes
Forest
Francis
Frenette
Garland
Gelber
Gendron
Girouard
Godin
Gordon
Grafftey
Granger
Gray
Greene
Habel
Hahn
Hales
Hamilton
Harkness
Harley
Hays
Hellyer
Honey
Horner (Acadia)
Horner (The Battlefords)
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jones
Jorgenson
Klein
Korchinski
Laing
Lamb
Lambert
Lamontagne
Lamoureux
Laniel
Laverdiere
Leboe
Leduc
Lessard (Lake St. John)
Lloyd
Loiselle
Loney
Macdonald
MacEachen
MacEwan
MacLean (Queens)
MacNaught
Macquarrie
MacRae
McBain
McIlraith
McIntosh
McMillan
McNulty
McWilliam
Madill
Mandziuk
Marcoux
Martineau
Matheson
Matte
Millar
Monteith
Moore
Moreau
Muir (Lisgar)
Mullally
Munro
Nasserden
Nesbitt
Nicholson
Nielsen
Noble
Nowlan
Nugent
O'Keefe
Olson
Ormiston
Otto
Ouellet
Pascoe
Patterson
Paul
Pearson
Pennell
Pepin
Pickersgill
Pigeon
Pilon
Pugh
Rapp
Regan
Rheaume
Ricard
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Ryan
Rynard
Sauve
Sharp
Simpson
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Turner
Valade
Vincent
Wahn
Walker
Watson (Assiniboia)
Watson (Chateauguay-Huntingdon-Laprairie)
Webb
Weichel
Whelan
Willoughby
Winkler
Woolliams—192.

Division

NAYS

Messrs:

Barnett
Beaule
Belanger
Boutin
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Caouette
Dionne
Douglas
Fisher
Gauthier
Gregoire
Herridge
Howard
Knowles
Langlois
Laprise
Latulippe
Martin (Timmins)
Orlikow
Perron
Peters
Plourde
Prittie
Rondeau
Webster
Winch—27.

Mr. Speaker: I declare the decision sustained.

Mr. Asselin (Notre Dame de Grace): Mr. Speaker, I was paired. Had I voted I would have voted to sustain Your Honour's ruling.

Mr. Cashin: Mr. Speaker, I was paired. Had I voted I would have voted to sustain Your Honour's ruling.

Mr. Roxburgh: Mr. Speaker, I was paired. Had I voted I would have voted to sustain Your Honour's ruling.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on a question of privilege.

Seconded by Mr. Gilbert Rondeau, I move that the house adjourn its business until such time as all rights and privileges of all its members have been acknowledged.

[*Text*]

Mr. Speaker: I should like to give a ruling on the question of privilege which the hon.

member for Lapointe has raised. First of all, I do think it is in general terms. There is nothing specific about it. It is more in the nature of a grievance than a question of privilege. The specific matter referred to is under consideration at the present time, and in the circumstances I see no question of privilege.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I appeal Your Honour's ruling.

[*Text*]

Mr. Speaker: The house has heard the decision of the Chair on the question raised by the hon. member for Lapointe. Those in favour of sustaining the ruling of the Chair will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

Some hon. Members: Question.

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

Some hon. Members: Yes.

Mr. Speaker put the question as follows:

The question is an appeal to the house from the ruling of the Chair.

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Addison
Aiken
Alkenbrack
Asselin (Richmond-Wolfe)
Badanai
Balcer
Baldwin
Barnett
Basford
Batten
Bechard
Beer
Bell
Benidickson
Benson
Berger
Bigg
Blouin
Boulanger
Brewin
Byrne
Cadieu (Meadow Lake)
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Cardiff
Cardin
Caron
Chapdelaine
Chatterton
Chevrier
Chretien
Churchill
Clancy
Coates
Cooper
Côté (Chicoutimi)
Cote (Longueuil)
Cowan
Crossman
Crouse
Cyr
Danforth
Davis
Deachman
Denis
Deschatelets
Diefenbaker
Dinsdale
Doucett
Douglas
Drury
Dube
Dupuis
Emard
Enns
Ethier
Eudes
Fairweather
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Forbes
Forest
Foy
Francis
Frenette
Garland
Gelber
Gendron
Girouard
Godin
Gordon
Grafftey
Gray
Greene
Gundlock
Habel
Hahn
Hales
Hamilton
Harkness
Harley
Hays
Hellyer
Herridge
Honey
Horner (Acadia)
Horner (The Battlefords)
Howard
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jones
Jorgenson
Klein
Knowles
Korchinski
Laing
Lamb
Lambert
Lamontagne
Lamoureux
Laniel
Laverdiere
Leboe
Leduc
Lloyd
Loiselle
Loney
Macdonald
MacEachen
MacEwan
MacLean (Queens)
MacNaught
Macquarrie
MacRae
McBain
McCutcheon
McIlraith
McIntosh
McMillan
McNulty
McWilliam
Madill
Mandziuk
Marcoux
Martin (Timmins)
Martineau
Matheson
Matte
Millar
Monteith
Moore
Moreau
Muir (Lisgar)
Mullally
Munro
Nasserden
Nesbitt
Nicholson
Nielsen
Noble
Nowlan
O'Keefe
Olson
Orlikow
Ormiston
Otto
Ouellet
Pascoe
Patterson
Paul
Pearson
Pennell
Pepin
Peters
Pickersgill
Pigeon
Pilon
Prittie
Pugh
Rapp
Regan
Rheaume
Ricard
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Ryan
Rynard
Sauve
Sharp
Simpson
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Turner
Valade
Vincent
Wahn
Walker
Watson (Assiniboia)
Watson (Chateauguay-Huntingdon-Laprairie)
Webb
Webster
Weichel
Whelan
Willoughby
Winch
Winkler—205.

NAYS

Messrs:

Beaule	Langlois
Belanger	Laprise
Boutin	Latulippe
Caouette	Perron
Dionne	Plourde
Gauthier	Rondeau—13.
Gregoire	

Mr. Asselin: I was paired. Had I voted, I would have voted to sustain the Chair.

Mr. Cashin: I was paired. Had I voted, I would have voted to sustain the Chair.

Mr. Roxburgh: I was paired, and I would have voted for your ruling.

Mr. Nugent: I was not paired, but I was outmanoeuvred.

Mr. Sharp: Mr. Speaker—

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege. May I know under which standing order—

[*Text*]

Mr. Pickersgill: I move, under standing order 29, that the hon. member for Eglinton be heard.

Mr. Speaker: I am sorry, but I did not hear what the Secretary of State said.

Mr. Pickersgill: I move, under standing order 29, that the hon. member for Eglinton be heard.

Mr. Gregoire: The hon. member for Villeneuve raised a question of privilege before Your Honour recognized the Secretary of State. I think Your Honour should recognize the hon. member for Villeneuve.

Mr. Pickersgill: If the hon. member for Villeneuve raised a question of privilege I could not make my motion. However, I was observing carefully and I observed that the hon. member for Eglinton rose even before the pairs were declared, and he certainly rose before the hon. member for Villeneuve. If these were just the ordinary proceedings of the house, standing order 29 would apply. Of course a question of privilege, if there could be a question of privilege at this time —which I doubt, sir—could be raised at any time.

[*Translation*]

Mr. Caouette: Mr. Speaker, may I be informed under which standing order you are prevented from recognizing the hon. member for Villeneuve?

Mr. Dupuis: There is no rule or regulation to prevent people from spitting on the floor.

Mr. Caouette: You, you spit into the wind, and get it in the eye.

[*Text*]

Mr. Speaker: First, may I say that questions are not asked of the Speaker in that fashion. Second, as you know, until the house instructs me I cannot act on those instructions. I do not believe I need to say more at this stage.

[*Later:*]

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Prime Minister. With reference to the announcement he made this afternoon regarding the agreement with the United States for air to air nuclear missiles for northern North American defence, could I ask the Prime Minister whether it is the intention of the government to make this agreement available either to the house or to the defence committee of parliament?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the hon. gentleman must know that this is a military agreement which contains facts which bear on military security and the security of the country, and it would therefore be quite improper to make all those facts and all those details public. In that respect we are following the course followed by the previous government and outlined more than once by the right hon. gentleman who then led the government. All the information which can be made available will be made available. The matter can be discussed in the defence committee of the Commons. Next Monday we hope to have a supply motion, so the hon. gentleman can bring up the question at that time and debate the whole issue, if he sees fit, in spite of the fact that the issue was debated for four days in the early part of the session.

Mr. Douglas: A supplementary question. May I ask the Prime Minister what assurance can we have that there is adequate provision for joint control, and that there is no danger of unilateral action which would precipitate an unfortunate situation?

Mr. Pearson: Mr. Speaker, I will give my hon. friend the assurance of myself and the government that there are adequate provisions for joint control. I will also tell my hon. friend that this agreement is based substantially on a draft which was submitted by the previous government to the United States government in 1959, accepted in principle by that government, and not proceeded with by the Canadian government of the day.

Storage of Nuclear Warheads Announced

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is apparently going to become a debate. May I say at once that the statement of the Prime Minister is not in accordance with the facts. Let that be clear and unequivocal.

Mr. Pearson: On a question of privilege, Mr. Speaker, the right hon. gentleman apparently forgets that I have access to the records, and my statement is strictly in accord with the facts. If the right hon. gentleman will raise this question on the supply motion next Monday, we can go into the record.

While I am on my feet, the right hon. gentleman said earlier in the day that this agreement would cost the Canadian taxpayers millions of dollars. It will cost the Canadian taxpayers nothing.

Mr. Diefenbaker: Mr. Speaker, this is a very strange statement on the part of the Prime Minister, that if we move a motion or an amendment he will then reveal that which he has refused to place before parliament. Whenever he finds himself in a corner he always becomes peevishly annoyed.

Mr. Pearson: Mr. Speaker, I did not say that if the matter was debated I would reveal information which I say now cannot be revealed. I said that I would reveal the record of the government, and I would be delighted to do that.

Mr. Douglas: A supplementary question, Mr. Speaker. I may say to the Prime Minister that I am sure Canadians will find that in the long run, most things which appear to cost them nothing cost them a great deal. I want to ask the Prime Minister whether the sections of the agreement having to do with joint control could be made available to the house. This would not involve security information which would be privileged.

Mr. Pearson: Well, Mr. Speaker, the agreement does provide for joint control, I have said that. Surely the hon. gentleman will take my word.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, a supplementary question. I should like to ask the Prime Minister how the control can be joint control, and still cost Canada nothing. Will it be the United States which is going to pay for the Canadian part of the joint control?

Mr. Pearson: You are mixed up.

Hon. Marcel Lambert (Edmonton West): I have a question for the Minister of National Defence. With reference to the statement made by the Prime Minister concerning nuclear bases, there being five air defence stations, the two Bomarc stations and the two leased bases in Newfoundland, will the minister inform the house if consideration is being given to establishing such a base at Val d'Or in Villeneuve and, if so, what would be the nature of the target it was intended to protect?

TRADE

RUSSIA—TABLING OF DOCUMENTS IN CONNECTION WITH TRADE AGREEMENT

Hon. Mitchell Sharp (Minister of Trade and Commerce): As requested, Mr. Speaker, I am tabling today two copies in English and in French of the protocol renewing the trade agreement between Canada and the Union of Socialist Soviet Republics, signed at Ottawa on September 16, 1963, together with an exchange of correspondence between Mr. Borisov and myself of the same date in respect of the purchase and sale of wheat by the wheat board and by the Soviet agency.

Hon. Alvin Hamilton (Qu'Appelle): I should like to bring to the attention of the house the fact that we are very glad to have this protocol and correspondence tabled. I should like to point out to the house the very embarrassing circumstances under which this is done. This agreement was signed over three weeks ago, and it is being tabled in the house on October 9. This matter has been discussed in the public press of the United States for two weeks. Now we are in the embarrassing position of having put before us, on October 9, a subject matter that was under discussion in our neighbouring country for over two weeks.

I should like to point out to the house the embarrassing position in which have been put. It is a question of experience in these matters, I know, but when you do sign these protocols you table them as soon as possible. On the last occasion a protocol was signed on April 18, 1960, and was tabled in the house on April 25. There was none of this leaking of information or discussion in the public press by the central intelligence agency and other parties to the agreement until we, in Canada, had a chance to see the agreement, not between the United States and Russia but between Canada and Russia.

Mr. Sharp: Mr. Speaker, I do not know whether I am in order, but perhaps I am as much in order as the hon. member for Qu'Appelle. I just wanted to say that I gave a full explanation of this transaction, and the discussion that has proceeded subsequently has been on the basis of that explanation and not on the basis of the documents I am tabling today which merely show formally what I had announced publicly.

[*Later:*]

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): I wish to direct a question to the Minister of Trade and Commerce with reference to the trade agreement between this country and Russia. Was this agreement shown to the United States government or to any of its agencies, or to any joint agency or committee of the two countries before its tabling in the Canadian parliament today?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I am not certain of the answer to this question but, as I said in the house in answer to earlier questions, we kept the United States informed during the course of the negotiations about the contents of this agreement. Whether they actually saw the terms as I tabled them today, I am not certain.

Mr. Ian Grant Wahn (St. Paul's): I wish to direct a further question to the Minister of Trade and Commerce. In view of the headline in last night's Toronto *Star* reading "Canada Won't Ship Russian Wheat in Time —U.S. View", is the government considering, or will it consider, underwriting government insurance or providing other incentives to shipping through Churchill or other available ports so that the wheat from Alberta, Saskatchewan and Manitoba may be delivered in time to fulfil Canada's commitments despite strike action at certain Canadian ports and any possible irresponsible action on the part of the S.I.U?

Mr. Speaker: May I suggest that the hon. member's question is one for the order paper.

Mr. H. F. Jones (Saskatoon): I should like to ask the Minister of Trade and Commerce a question supplementary to the one asked by my hon. friend from Qu'Appelle. I wonder whether the minister could ascertain the facts in this connection and advise the house as to what action was taken with regard to informing the United States about this agreement?

An hon. Member: Why?

[*Later:*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Minister of Trade and Commerce following the question which was asked by the hon. member for Saskatoon and which remains unanswered. When the United States authorities were made aware from time to time as negotiations went on between Canada and the U.S.S.R. regarding the sale of wheat, is there any foundation for the suggestion in the United States press that strong objections were raised by the United States to the fixing of the price at an average of $1.74 which they contended would have a detrimental effect on their sales of wheat abroad? Were objections raised by the United States or not?

Mr. Sharp: I think the short answer to the question put by the Leader of the Opposition is, no. We kept the United States authorities informed of the general course of the negotiations, but we did not at that time talk about price at all.

Mr. Diefenbaker: Subsequently, when the question of price had been determined, were their any objections by the United States to the price comprised in the agreement as stated in the Canadian Press dispatch, from Washington, as I recall it?

Mr. Sharp: The question of price, as the hon. gentleman knows, and as members of the house are aware, is a matter which is decided by the wheat board from day to day and from time to time, as they are negotiating. This price is determined by the wheat board in the interests of the western farmers. As far as the Minister of Trade and Commerce is concerned, this is not a matter with which he ordinarily concerns himself, so I would not have had any discussions about prices. I have heard, however, that some members of the United States administration have made some comments about the prices which the wheat board felt it advisable to charge its customers.

Mr. Diefenbaker: What was the nature of those comments?

Mr. Sharp: They were comments rather of the kind which appeared in the newspapers.

Mr. J. H. Horner (Acadia): Along those same lines, with regard to the pricing of our wheat, there are reports in this morning's *Globe and Mail* that Canada has entered into a fixed price arrangement for the next eight months in connection with a trade deal with Japan. Is this true? Have we set a price eight months hence?

Mr. Sharp: I have discussed this matter with the Canadian wheat board. As I have explained, the wheat board is responsible for the pricing and sale of Canadian wheat in foreign markets. I have been advised by the board that current reports suggesting that the Canadian wheat board has altered its methods of selling wheat for forward delivery and the pricing of such sales are inaccurate. The Canadian wheat board has continued to follow its usual marketing policy this season as in the past. The board's quoted price for wheat has advanced approximately 8 cents per bushel since the recent sale to the

U.S.S.R., and contracts with traditional customers have been completed recently at the board's quoted prices then current for shipment during the crop year which ends next July 31. There is nothing new or unusual about this procedure. The Canadian wheat board has always been prepared to sell to buyers wheat for forward delivery at its current daily quoted prices.

Mr. Eldon M. Woolliams (Bow River): I have another supplementary question, and this is on the point. Has the minister received information that, because wheat shipments from western Canada have been held up due to strike conditions here, the department of trade and commerce in the United States, and other departments there intend to take advantage of the situation in concluding wheat deals with Russia?

Mr. Sharp: Mr. Speaker, I am sure it is no secret that the United States government has been reconsidering its position. It was reconsidering its position even before there was any strike or threat of strike on the great lakes amongst the longshoremen. I do not think the United States government, whether or not it changes its policy, will be influenced by the strike now going on.

Mr. Woolliams: Will it reduce our contract?

Mr. Horner (Acadia): A supplementary question. Is it the intention of the government and the Minister of Trade and Commerce to have the wheat board appear before the standing committee on agriculture, as has been the usual pattern in the past, so that we can be given full details with regard to this proposed new implementation of forward pricing?

Mr. Sharp: I have just denied there is anything new about this, but I can assure my hon. friend I shall have no objection whatever and shall encourage the Canadian wheat board to appear before the committee.

Mr. Herridge: A supplementary question—

[*Later:*]

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, may I ask a supplementary question? Does the Minister of Trade and Commerce know that, this morning, it was reported that the United States reached a wheat sale agreement with Russia yesterday, I think?

[*Text*]

Mr. Sharp: I really have no information about the policy of the United States government, other than has appeared in the newspapers.

[Mr. Sharp.]

Mr. Speaker: The hon. member for Kootenay West.

Mr. Herridge: Mr. Speaker, the answer the minister has just given to a prior question answers my question.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the necessity of restoring orderly shipping along the St. Lawrence, would the minister consider calling together repersentatives of the union and representatives of the shipping federation, as well as representatives of the grain handlers, elevator companies and railway transportation companies with a view to bringing before all these segments of commerce a common understanding and purpose with regard to the movement of goods going into international trade?

Mr. Speaker: I suggest that is a question for the order paper.

[*Later:*]

Mr. Jones: Mr. Speaker, a supplementary question to the Minister of Trade and Commerce relating to an earlier reply. He said he had kept the Americans informed of the progress of the discussions in regard to our negotiations with the Russians for the wheat sale, and he just said a few moments ago that the Americans have not similarly kept him informed. I wonder whether he can explain the reason for the difference in treatment, and why we were not informed.

Some hon. Members: Order.

FISHERIES

NORTH PACIFIC TREATY—STATEMENT ON PROGRESS IN NEGOTIATIONS

Hon. H. J. Robichaud (Minister of Fisheries): As I stated last Friday, Mr. Speaker, and repeated to the house yesterday, I should like to inform the house of the progress made in the negotiations at Tokyo concerning the north Pacific fisheries treaty, as reported to me by the Canadian delegation which returned to Ottawa last night. I also table, for the information of the house, the press release issued at the close of the Tokyo meetings.

As I informed the house on June 24, the negotiations between Canada, Japan and the United States on the north Pacific fisheries convention commenced in Washington, D.C., on June 6 and recessed on June 21 after a useful exchange of views. At the close of the Washington meetings, Canada and the United States believed that the conservation and rational development of the north Pacific fisheries would be assured best by continuation of the present conventions embodying the abstention principle. Japan, on the other hand,

proposed a new convention omitting that principle but providing for joint conservation measures by the three countries.

The negotiations were resumed in Tokyo on September 16. At the opening session I emphasized Canada's concern for the protection of our salmon, halibut and herring fisheries in the north Pacific. Canada, in co-operation with the United States, has maintained these fisheries at highly productive levels through extensive research and strict regulation of our own fishing and, in the case of salmon, through measures to protect and assist their production in our fresh waters. These fisheries are fully utilized by our fishermen and should be reserved for their use. On the other hand, Canada wants protection for these fisheries with minimum interference with Japan's use of other fish stocks not now fully exploited.

In the course of the Tokyo meetings, the United States presented a modification of the draft convention proposed by Japan in Washington. Discussions are proceeding on the basis of this draft which would provide the necessary protection for our fisheries but without explicit statement of the abstention principle as it appears in the present convention.

The negotiations were most productive and greatly improved the understanding by each country of the interests and positions of the others. It was especially promising to discover the high degree of protection for our fisheries which Japan is prepared to afford under a new convention. The meeting recessed to enable the delegations to consult further with their governments, but with a feeling of optimism regarding agreement on a mutually satisfactory convention. It is hoped that this will be accomplished at the next series of meetings which, the conference recommended, should be reconvened next spring. The Canadian delegation expressed the hope that these meetings could be held in Ottawa.

The differences which remain to be resolved are concerned mainly with the manner in which the basis for protection of these fisheries is expressed in the new convention. In the case of salmon the Canadian position is that the convention must recognize Canada's special interest in the stocks which spawn in our rivers, based on long continued scientific management and full utilization, and also on positive cultural measures and restrictions of other water uses damaging to salmon production. In the case of halibut the joint special interest of the United States and Canada should also be explicitly recognized in view of the restoration of the fishery to highly productive levels by effective study and regulation by the international Pacific halibut commission.

Canada's special interest in our intensively fished herring stocks should also be recognized. We want the basis for our special interest in these fisheries to be so expressed in the convention as to give general and continuing protection. It is still necessary to reconcile this objective with Japan's reluctance to include any statement of principles which might hinder the development of her far-flung fisheries. Nevertheless the reasonable and constructive tone of the discussions gives hope for eventual agreement. In the meantime the present convention remains in force.

As I have indicated before, when any agreements are reached they will be fully discussed before the standing committee on marine and fisheries before final acceptance by the government.

Mr. Nielsen: It sounds pretty fishy.

Mr. Robichaud: That is about the only kind of remarks you can make.

Hon. J. A. MacLean (Queens): Mr. Speaker, I think the house is indebted to the minister for the information he has given on the situation as it now is with regard to the renegotiation of this very important treaty. The systematic exploitation of the living resources of the sea is one problem of great international importance, and its importance will increase as time goes by.

I am pleased that the minister has stated that the importance of recognizing the need for protecting Canada's interests, especially in these three particular stocks of fish, has been stressed, and I am particularly pleased that he has given an assurance the present treaty will remain in force until some determination has been reached in the present discussions.

I would hope that there would be a reconvening of the conference at an early date, preferably before next spring, if this is at all feasible.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we also appreciate the statement which the Minister of Fisheries has made on the negotiations that have been carried on in Tokyo regarding this fisheries treaty.

The fishermen of British Columbia have been very perturbed over developments of the past several months. They have been watching the proceedings very closely, and in many instances have been somewhat disturbed with the attitude that has been taken with regard to a number of the problems involved.

The minister has called attention to the difference of opinion between Canada and Japan regarding the abstention principle. In this connection I would point out that I had the opportunity of attending a meeting of

west coast fishermen at Steveston before the resumption of the session. Several hundred attended and this matter was discussed. As the minister knows, communications were relayed from that meeting, as well as from us individually, and it is the general feeling that Japan is trying to force its way into Canadian fishing areas piece by piece, just moving forward gradually, and making one demand after another until our fishermen are afraid they will be in a position where they will have all their rights taken away from them.

I do not think Canadian fishermen are particularly concerned that the wording "abstention principle" be retained in the treaty, but they are certainly very desirous that the principle itself be maintained. I appreciate the fact that the minister has indicated the Canadian delegation has pressed very strongly for the retention of this principle, and I hope that in any future negotiations it will be kept in mind that only by such a principle will Canadian rights and prerogatives be maintained.

Therefore we welcome this statement today, but once again urge that in all the negotiations that will be carried on in future this principle will be kept in mind and Canada's interests fully protected.

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I suggest that the reason the treaty negotiations have been adjourned is because Japan is really not interested in having a treaty on the north Pacific fisheries which contains the abstention principle. It may well be in the interests of Japan not to have such a treaty, but it is certainly in the interests of the other fishing countries of the north Pacific, Canada, the United States and the Soviet union.

We believe that Japan has been encouraged in its opposition to a treaty by what we consider the weak positions taken by the governments of both Canada and the United States over the past two years. This spring the government of Canada acted with undue haste, and I think with irregular procedure, in agreeing that Japan be allowed to fish for herring and halibut in areas from which it was formerly excluded. We think the Canadian government has taken an apologetic attitude, both before and during these negotiations. Our delegation seems to be fighting a rearguard action against the demands of Japan, but it should not be afraid to state that we intend to protect our very great investment in conservation against exploitation by other countries.

[Mr. Patterson.]

We suggest that the government take the position that fishing for salmon on the high seas be discontinued, and that a circumscribed area be drawn west of a line of demarcation within which no high seas fisheries be allowed. When the negotiations resume we hope that the Canadian delegation will advance these proposals and make it unmistakably clear that Canada intends to protect the fisheries which Canadian conservation methods have preserved.

In the past a great many suggestions were put forward that, in negotiations such as this for a north Pacific fisheries treaty, the Soviet union be invited to participate. Incidentally this was advocated by the Liberal party in British Columbia in 1952, and I feel there is a very great weakness in any agreement concerning the north Pacific if the other major fishing nation of the north Pacific is not included in it. I think the contracting parties to the convention should once more take this matter into account.

[*Later:*]

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I should like to direct a question to the Minister of Fisheries based on the statement he made earlier today. Will the minister table copies of the draft treaty presented by Japan and the United States?

Hon. H. J. Robichaud (Minister of Fisheries): As I have stated in the house on other occasions, it is not the practice to table such draft treaties while negotiations are under way or before an agreement is reached.

QUESTIONS

Mr. Pickersgill: Mr. Speaker, the following questions are being answered today: 1,070, 1,108, 1,115, 1,116, 1,120, 1,165, 1,166, 1,173, 1,190, 1,199, 1,200, 1,201, 1,205, 1,208, 1,211, 1,215, 1,219, 1,221, 1,222, 1,226, 1,229 and 1,252.

If question No. 854 could be made an order for return the return would be tabled immediately. I would also ask that question 1,244 be made an order for return.

If Your Honour would be good enough to call starred questions 1,054 and 1,225, I would ask that all remaining questions stand.

(Questions answered orally are indicated by an asterisk.)

*PERSONNEL OF PRIME MINISTER'S OFFICE

Question No. 1,054—**Mr. Pigeon:**

What are the names of the personnel attached to the office of the Prime Minister, giving for each (a) his or her title (b) annual salary and (c) bilingual status?

Mr. Davis: Mr. Speaker, I am prepared to answer this question orally but it would take four minutes to read the answer. I therefore request the permission of the house to have it printed in *Hansard* without reading it aloud.

Mr. Speaker: Does the house give permission?

Some hon. Members: Agreed.

[*Editor's note: The answer above referred to is as follows:*]

Personnel Attached to the Office of the Prime Minister

Name	(A)	(B)	(C)
T. W. Kent	Co-ordinator of programming	$20,000	
Miss M. E. Macdonald	Executive assistant	13,600	Yes
J. B. Regan	Executive officer	12,000	
R. O'Hagan	Special assistant	10,000	
Jules Pelletier	Correspondence secretary (on loan from Dept. of National Defence)	11,800	Yes
J. A. Coutts	Secretary to Prime Minister	9,000	Yes
Miss A. Perron	Private secretary	7,680	Yes
Mrs. E. Hough	Associate private secretary	6,000	
Miss M. Conniffe	Supervising clerk	5,880	
Miss L. Lockeberg	Supervising clerk	5,700	
Mrs. A. Biard	Principal clerk	5,040	Yes
Miss E. M. MacInnes	Principal clerk	5,400	
Miss H. Monette	Principal clerk	5,220	Yes
Miss D. Cuggy	Secretary to executive	4,950	
Mrs. G. McCormick	Secretary to executive	4,950	
Mrs. P. Bothwell	Secretary to executive	4,950	
Mrs. R. Smith	Secretary to executive (office of parliamentary secretary)	4,950	
Miss T. Lambert	Secretary to executive (office of parliamentary secretary)	4,950	Yes
Mrs. E. M. Gartland	Clerk (4)	4,710	
R. Desjardins	Clerk (4)	4,710	Yes
Mrs. L. Donaldson	Stenographer (3) (secretary)	4,200	Yes
Mrs. M. Wilshire	Stenographer (3) (secretary)	4,200	
Mrs. G. Ouellette	Stenographer (3)	3,660	Yes
Miss T. Brazeau	Stenographer (2)	3,450	Yes
Miss C. L'Ecuyer	Stenographer (1)	2,580	Yes

JAMES REGAN

Question No. 1,070—**Mr. Fisher:**

1. What office does Jim Regan hold in the government?

2. What is his age, place of birth, institutions of education attended and educational qualifications, governmental or business experience (position held, length of experience, name of firm or employer) and initial and present salary with the government?

3. What length of time has this gentleman undertaken to serve the government and/or what engagement in length of time was given to him?

4. In brief, what particular qualities of Mr. Regan led to his engagement?

Mr. Pearson: 1. Executive officer.

2. Age 33—born Windsor, Nova Scotia. Windsor public schools; Windsor high school. Radio announcer—three years Evangeline Broadcasting Company, Ltd. Program director—three years—Colchester Broadcasting Company, Ltd. Production manager—program director—two years. Colonial Broadcasting Co. Ltd. Director of television production—two years. Newfoundland Broadcasting Co. Ltd. Radio—T.V. director—four years—Imperial Advertising Ltd. Administrative assistant to the minister of finance—three years—government of New Brunswick. $12,000.

3. No given period.

4. Ability to do the job.

IMMIGRATION FROM CENTRAL AMERICA

Question No. 1,108—**Mr. Fisher:**

1. Did the Department of External Affairs issue circular No. 32/62 regarding immigration from Central American nations and, if so, to whom did it circulate?

2. Did this circular raise the question of the small number of immigrants coming from Central America and suggest that more qualified immigrants could be found and procured?

3. Has there been any change in policy with regard to instructions given external affairs representatives in Latin America over the last five years on either the encouraging or discouraging of immigration to Canada?

Questions

Mr. Martin (Essex East): 1. (a) Yes, on August 2, 1962; (b) to all external affairs posts and trade commissioner's offices abroad.

2. Circular documents concerning internal departmental administration are privileged and it has never been the practice to reveal the contents of such documents.

3. Yes. The revision of February 1, 1962 of the immigration regulations encouraged immigration from Latin America.

ASSISTANCE TO BEAVERHOUSE INDIANS, ONTARIO

Question No. 1,115—**Mr. Peters:**

Has the government given any assistance to the Beaverhouse Indians resident near Dobie, Ontario, and, if so (a) what assistance towards education has been provided and (b) what other assistance has been provided?

Mr. Pickersgill: The group is known as the Beaverhouse lake Indians and reside in the general area of Dobie, Indian point and Beaverhouse lake, Ontario. There is no Indian reserve in that area and with a few exceptions, all members of the group are of non-Indian status. The few persons of Indian status residing in this area are self supporting and no assistance from the Department of Citizenship and Immigration has been required.

With respect to Indian health services, the isolation of the area, the difficult travel conditions and the small Indian population make regular medical coverage impractical. Emergency medical care, when required, is provided and all registered Indians are insured under the Ontario hospital services commission.

ASSISTANCE TO INDIANS, MATACHEWAN, ONT.

Question No. 1,116—**Mr. Peters:**

Has the government given any assistance to the Indian band located at Matachewan, Ontario, and, if so (a) what assistance has been provided towards education, and (b) what other assistance has been provided?

Mr. Pickersgill: 1. (a) These Indians reside in the town of Matachewan and not on an Indian reserve. Their children have been attending public and high schools in the district which they are entitled to do as residents and accordingly no educational assistance has been provided by the Department of Citizenship and Immigration.

(b) Notwithstanding the fact that these Indians reside off the reserve, relief assistance in the amount of $1,379.93 in 1961-62 and $3,553.50 in 1962-63 was provided to various members of this group. In 1959 the department purchased a number of trap lines for the Matachewan Indians. These were in addition to those set aside for this band under the Ontario fur agreement. Assistance was also provided to this band to commence logging operations on the Matachewan Indian reserve and in the placement of Indians in employment, particularly in the forest industry.

In so far as the Department of National Health and Welfare is concerned, an Indian health services public health nurse visits the village every six to eight weeks. A Red Cross nurse is stationed in the village. The nurses refer cases requiring a higher level of treatment to a designated physician at Kirkland Lake. The department pays for care provided to Indians on a fee for service basis. Transportation of the patient is usually at departmental expense. All registered Indians are insured under the Ontario hospital services commission.

CRIMINAL CODE AMENDMENT RESPECTING PRISONERS UNDER 16

Question No. 1,120—**Mr. Orlikow:**

Will the government consider appropriate legislative amendments to the Criminal Code to provide that no person under the age of 16 years shall be committed to a penal institution where adult prisoners are confined, as recommended by the Fauteux report?

Mr. Chevrier: Legislation in the direction suggested is contained in section 1 of the Penitentiary Act and juveniles dealt with under the Juvenile Delinquents Act may not be confined in a place where adults may be imprisoned. Extension of this principle is being considered in connection with the continuing criminal law amendment program.

STORAGE FACILITIES FOR NUCLEAR TIPPED ROCKETS

Question No. 1,165—**Mr. McIntosh:**

1. Are suitable storage facilities available now in the R.C.A.F. to store nuclear tipped Genie rockets for Voodoo aircraft and, if not, when did construction begin at each base, and when will construction be completed?

2. Is construction of suitable storage facilities being undertaken as a result of a public tender call or by negotiated tender?

3. Who have been the successful tenderers?

4. What will be the construction costs of the storage facilities?

Answer: 1. No. Tenders for construction are to close in October 1963 and it is planned that construction will be completed by October 1, 1964.

2. Contracts will be awarded as a result of public tender call.

3. Contracts have not been awarded.

4. The actual costs will not be known until all contracts are awarded.

INDUSTRIAL DEVELOPMENT BANK, MONTREAL—ENGLISH-FRENCH PERSONNEL

Question No. 1,166—**Mr. Douglas:**

In the Montreal branch of the industrial development bank, what is the number, by grades, of (a) French speaking employees (b) English speaking employees?

Answer:

	English speaking		French	
	English only	Bilingual	speaking	Total
Supervisory and professional	14	5	19	38
Stenographic and clerical	12	6	11	29
Total	26	11	30	67

INCENTIVE AREA PLAN, P.E.I.

Question No. 1,173—**Mr. Macquarrie:**

1. What were the reasons for the non-inclusion of any area in the province of Prince Edward Island in the government's designated incentive area plan?

2. Have representations been received from the government of Prince Edward Island and municipal authorities, or other sources, relative to the designation of such areas in the counties of Kings and Prince?

Answer: 1. National employment service areas were examined to determine the areas of the country with the most severe conditions of chronic unemployment and slow economic growth. Thirty five areas have qualified for special measures of assistance under the designated areas program. The national employment service areas of Summerside and Charlottetown, in Prince Edward Island, in recent years have experienced substantial growth in employment which was considerably above the national average. Thus, they have not met the criteria established for the selection of designated areas.

2. Yes. There has been an exchange of correspondence between the premier of Prince Edward Island and the Minister of Industry.

CANADIAN EXEMPTION FROM U.S. SECURITIES TAX

Question No. 1,190—**Mr. Noble:**

Has the government secured an agreement with the United States government that Canada shall have a recognized exemption from the 15 per cent tax proposed by the Kennedy administration on the purchases by American citizens of foreign securities; and, if so, (a) what are the terms of such exemption (b) will a copy of the signed agreement be tabled in the house?

Answer: The agreement with the United States government that Canada shall have a recognized exemption from the 15 per cent tax proposed by the Kennedy administration on the purchases by American citizens of foreign securities is contained in the communique of July 21, 1963, agreed between representatives of Canada and the United States.

Ottawa, July 21, 1963: Hon. Walter L. Gordon, Minister of Finance, issued this afternoon the following statement which had been agreed between representatives of Canada and United States meeting in Washington during the week end:

"Representatives of Canada and the United States met during the week end to appraise the impact on the Canadian financial markets of the proposed United States "interest equalization tax".

The two governments recognized the need for effective action to improve the balance of payments position of both countries and are both equally determined that such action shall not impair the intimate economic relationships between the two countries, nor impede the growth essential for both economies.

For many years the capital markets of the two countries have been closely interconnected, and United States exports of capital to Canada have financed a substantial portion of the Canadian current account deficit with the U.S. This need continues. A portion of these flows must be supplied through the sale of new issues of Canadian securities in American markets. U.S. officials had considered that ample flows for these needs would continue under the proposed "interest equalization tax". However, Canadian representatives stated that this would require a very substantial rise in the entire Canadian interest rate structure. It was recognized by both governments that such a development would be undesirable in present economic circumstances.

In the light of this situation U.S. officials agreed that the draft legislation to be submitted to the congress would include a provision authorizing a procedure under which the president could modify the application of the tax by the establishment from time to time of exemptions, which he could make either unlimited or limited in amount. The President would thus have the flexibility to permit tax free purchases of new issues needed to maintain the unimpeded flow of trade and payments between the two countries, and to take care of exceptional situations that might arise in the case of other countries. U.S. officials made clear that this did not modify their proposals regarding the taxation of transactions in outstanding securities; over the past year such transactions between Canada and the U.S. have not been a major factor.

The Canadian authorities stated that it would not be the desire or intention of Canada to increase her foreign exchange reserves through the proceeds of borrowings in the United States, and it is the hope and expectation of both governments that by maintaining close consultation it will prove possible in practice to have an unlimited exemption for Canada without adverse effect on the United States.

It was agreed that active consultations would continue to strengthen the close economic relations between the two countries and at the same time facilitate measures for making the maximum practicable contributions to economic expansion and the strength and stability of both currencies."

The conversations which were conducted in the United States treasury on Saturday and Sunday included for Canada ambassador Charles S. A. Ritchie, Louis Rasminsky, governor of the Bank of Canada, Wynne Plumptre, assistant deputy minister of finance, and A. E. Ritchie, assistant under secretary of state for external affairs; for the United States Douglas Dillon, secretary of the treasury, George Ball, under secretary of state, Robert V. Roosa, under secretary of the treasury for monetary affairs, and Stanley Surrey, assistant secretary of the treasury.

ARMY CORPS ESTABLISHMENT

Question No. 1,199—**Mr. Douglas:**

What is the establishment by ranks of an army corps headquarters, and what is the approximate number of troops normally to be found under it?

Answer: There is no corps headquarters in the Canadian army as now organized. The establishment for such a corps headquarters based on that used in 1945 would be as follows:

Officers	
Lieutenant general	1
Brigadier	6
Colonel	3
Lieutenant colonel	5
Major	28
Captain	52
Lieutenant	2
Total	97
Other ranks	
Warrant officer I	4
Warrant officer II	8
Staff sergeant	6
Sergeant	26
Corporal	30
Private	124
Total	198

A corps headquarters normally would command two or more divisions together with corps troops units as determined by an army commander. The normal strength of a division is approximately 20,000.

COMMAND HEADQUARTERS ESTABLISHMENTS

Question No. 1,200—**Mr. Douglas:**

1. What is the establishment by ranks of central command headquarters, Quebec command headquarters, western command headquarters, and eastern command headquarters?
2. What is the number of (a) regular army (b) militia troops, under command of each command headquarters?

Answer: 1. The establishment by ranks of command headquarters is as follows:

Officers	East.	Que.	Cen.	West.
Maj. gen.	1	1	1	1
Brigadier	0	0	0	0
Colonel	1	2	1	1
Lieut. col.	3	5	5	5
Major	14	17	20	18
Captain	21	37	40	36
Lieutenant	1	1	2	4
	41	63	69	65
Other ranks				
W. O. class 1	1	3	3	3
W. O. class 2	3	3	5	7
Staff serg.	5	7	9	6
Sergeant	14	24	28	36
Corporal	13	19	22	19
Private	6	10	10	12
	42	66	77	83

2. The strengths of troops under each command headquarters are:

Eastern	6,038	7,571
Quebec	6,539	11,254
Central	13,429	18,268
Western	12,091	13,595
Total	38,097	50,688

INFANTRY DIVISION ESTABLISHMENT

Question No. 1,201—**Mr. Douglas:**

What is the establishment by ranks of an infantry divisional headquarters, and what is the approximate number of troops normally to be found under it?

Answer: The establishment by ranks of an infantry divisional headquarters would be as follows:

Officers	
Major general	1
Brigadier	1
Colonel	2
Lieutenant colonel	5
Major	18
Captain	21
Lieutenant	1
	49
Other ranks	
Warrant officer, class 1	2
Warrant officer, class 2	2
Staff sergeant	7
Sergeant	16
Corporal	20
Private	107
	154

The approximate number of troops normally to be found under the command of an infantry divisional headquarters is 20,000.

EMPLOYMENT OPPORTUNITIES FOR INDIANS

Question No. 1,205—**Mr. Simpson:**

Has the Department of Industry had any consultation with officials of the Indian affairs branch in relation to the plan for setting up the designated areas to provide improved industrial opportunities and employment in the various Indian reservations of Canada and, if not, will the Department of Industry consider taking such steps?

Answer: 1. (a) No; (b) Yes.

APPLICATIONS UNDER MUNICIPAL LOANS ACT

Question 1,208—**Mr. Scott:**

1. Has the board to administer the fund under the Municipal Development and Loan Act been set up and, if so, who are the members?
2. How many requests have been made to date for loans under the provisions of the said act?
3. Who have made such requests, and what projects are covered by them?

Answer: 1. Yes. The members are: Mr. K. W. Taylor, chairman; Mr. Jean Miquelon, vice chairman; Mr R. B. Bryce; Mr. Stewart Bates.

2. To date one request for a loan has been made to the board.

3. The greater Vancouver water district has requested through the B.C. department of municipal affairs, a loan to assist in financing construction of the Sasamat pumping plant.

TAXES ON PURCHASES BY EDUCATIONAL INSTITUTIONS

Question No. 1,211—**Mr. Scott:**

1. Has the government received representations to remove or rebate duty on all books purchased for educational institutions and, if so, what was the government's response to such representations?

2. Has the government received representations to exempt from sales tax all materials and equipment purchased for public educational institutions and, if so, what was the government's response to such representations?

Answer: 1. No representations were received by this government prior to October 3, 1963, to remove or rebate duty on all books purchased for educational institutions. However, a number of representations have been received relating to tariff item 173, which provides *inter alia* for the free entry of "books which are included in the curriculum of any university, college or school in Canada for use as text books or as works of reference, not to include dictionaries". These representations have included suggestions that the foregoing item be amended by deleting the reference to dictionaries and by including a reference to text books containing notes and/or exercises. The government's response was that these suggestions would be considered in the preparation of material for the budget, or in the context of international negotiations.

2. No representations were received by this government prior to October 3, 1963 requesting that all materials and equipment purchased by educational institutions be made exempt from sales tax.

Representations were made after the presentation of the 1963 budget urging that building materials used in the construction of educational institutions be exempt from sales tax. Bill C-90, an act to amend the Excise Tax Act, which received royal assent on August 2, 1963, provided this tax relief.

SALARIES OF DEPUTY MINISTERS

Question No. 1,215—**Mr. Fairweather:**

1. What is the salary range for the deputy ministers of the various government departments?

2. How many deputy ministers are paid (a) the highest amount and (b) the lowest amount?

Mr. Pearson: 1. $20,000 to $24,000.

2. (a) 1, (b) 14.

Questions

ASBESTOS—PRODUCTION AND EXPORT

Question No. 1,219—**Mr. Perron:**

1. What was the total production of asbestos in Canada for each of the last five years?

2. What proportion of that total production was shipped abroad as raw material?

3. What proportion of that production was consumed in Canada?

4. What proportion of the production processed in the mills of Canada was sold in the form of finished products (a) abroad (b) in Canada?

5. What was the value of the finished products of asbestos that were imported into Canada for each of the last five years?

6. What countries export such finished products to Canada, and what was the value of the shipments of each of these countries for each of the last five years?

7. What was the number of Canadian workers employed in the mining of asbestos for each of the last five years?

8. What is the number of Canadian workers employed in the manufacturing of finished products of asbestos in Canada?

Answer: 1. Factory shipments of asbestos, 1958-1962.

Year	Tons
1958	925,331
1959	1,050,429
1960	1,118,456
1961	1,173,695
1962	1,214,992

2. Proportion of total shipments shipped abroad.

Year	% Shipped Abroad*
1958	94.0
1959	97.0
1960	96.0
1961	95.0
1962	96.0

*No allowance made for changes in inventory.

3. Proportion of total shipments consumed in Canada.

Year	% Consumed in Canada*
1958	6.0
1959	3.0
1960	3.0
1961	5.1
1962	4.0

*By difference from (2)—exact details not available.

4. Proportion of production processed in Canadian mills, (asbestos products industry) sold in the form of finished products, 1957-61.

Year	(a) Abroad	(b) in Canada*
1957	7.0	93.0
1958	3.0	97.0
1959	2.0	98.0
1960	3.0	97.0
1961	3.0	97.0

*By difference from column (a).

5 and 6. See statement attached.

Questions: 5 and 6—Available statistics on imports of finished asbestos products are as follows:—

Class	Country	Year 1958		Year 1959		Year 1960		Year 1961		Year 1962	
		Lb.	Value	Lb.	Value	Lb.	Value	Lb.	Value	Lb.	Value
Asbestos packing n.o.p. (class 7001)	United Kingdom	180,157	$ 107,457	225,064	$ 107,346	287,247	$ 158,110	266,282	$ 154,875	172,107	$ 119,203
	United States	121,464	153,167	159,530	177,568	162,253	218,809	228,342	271,725	260,004	319,118
	Germany West	.....	.....	.....	.....	176	1,912	.....	.....	.....	.....
	France	.....	.....	.....	.....	.....	.....	638	3,000	1,836	5,337
	Sweden	.....	.....	.....	.....	.....	.....	.....	.....	200	279
	Totals	301,621	$ 260,624	384,594	$ 284,914	449,676	$ 378,831	495,262	$ 429,600	434,147	$ 443,937
Asbestos brake lining for road motor vehicles (class 7002)	United Kingdom		109,070		97,385		98,341		200,585		178,211
	Germany West		14,299		6,991		22,081		62,963		74,703
	Israel		1,768		.....		.....		.....		.....
	United States		377,949		506,222		510,029		536,767		654,350
	France		.....		895		.....		891		3,011
	Italy		.....		138		.....		.....	.....	.....
	Jamaica		.....		.....		.....		3,162		.....
	Totals		$ 503,086		$ 611,631		$ 630,451		$ 804,368		$ 910,275
Asbestos in any form other than crude, and all manufactures of n.o.p. (class 7003)	United Kingdom		699,867		514,365		717,220		912,980		650,234
	Union of South Africa		46,645		.....		.....		34,470		48,200
	Belgium and Luxembourg		169,010		224,353		391,614		297,520		333,893
	France		3,445		5,695		.....		6,884		80,941
	Italy		11,650		10,479		169		.....		.....
	Switzerland		428		.....		.....		1,269		2,516
	Germany West		.....		94		207		3,694		8,210
	United States		2,065,046		1,813,897		1,688,296		2,296,349		1,925,957
	Totals		$2,996,091		$2,568,873		$2,797,506		$3,553,166		$3,050,140
Asbestos clutch facings for road motor vehicles (class 7004)	United Kingdom		5,770		7,669		11,111		3,217		7,840
	Germany West		6,372		4,523		4,508		1,845		14,291
	United States		312,765		352,251		266,520		290,929		221,664
	Austria		.....		.....		637		.....		1,512
	Japan		.....		.....		.....		722		4,221
	Totals		$ 324,907		$ 364,443		$ 282,776		$ 296,713		$ 249,528
Asbestos brake lining and clutch facing n.o.p. (class 7005)	United Kingdom		9,916		15,775		27,691		7,089		9,669
	United States		108,127		232,638		381,244		180,799		276,294
	Totals	301,621	$ 118,043		$ 248,413		$ 408,935		$ 187,888		$ 285,963

7 and 8. Employees in asbestos mining and asbestos products, 1957-1961.

Year	Asbestos Mining	Asbestos Products
1957	7,357	2,254
1958	6,997	1,957
1959	6,653	2,067
1960	6,688	2,086
1961	6,875	2,101

FRENCH LANGUAGE TELEVISION STATION, QUEBEC CITY

Question No. 1,221—**Mr. Beaule:**

What steps have been taken up to now for the establishment of a French language C.B.C. television station in Quebec city?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation that good progress is being made in the work necessary to establish the French language television station at Quebec city. Purchase of the sites for the transmitter on Orleans island and the studios at Ste Foy are nearing completion. Orders have been placed with suppliers of the technical equipment required. Tenders for construction of the transmitter building were called last week. Studio plans and specifications are being put in final form which will enable the calling of tenders within a few weeks.

UNEMPLOYMENT INSURANCE APPEALS, RIVIERE DU LOUP

Question No. 1,222—**Mr. Dionne:**

1. How many appeals to the board of referees have been made by claimants to the unemployment insurance office of Riviere du Loup in 1962?

2. Of these appeals, how many decisions have been rescinded?

3. How many decisions were upheld?

4. How many appeals against decisions of the board of referees have been brought to court?

5. What has been the amount of benefits paid to claimants as a result of these appeals to the board of referees?

6. What has been the amount of overpayment made to claimants who were ineligible under the act?

7. How many people have been disqualified for voluntarily leaving their employment?

Mr. MacEachen: 1. 491.

2. 76.

3. 415.

4. None.

5. This information is not available.

6. During the period January 1, 1962 to September 30, 1962, overpayments in the amount of $21,898 were established on claims for benefit filed in the Riviere du Loup local office. Due to a change of procedure effective October 1, 1962, similar information is not available for the months of October, November and December.

7. 457 claimants were disqualified from receiving unemployment insurance benefit in the Riviere du Loup local office during 1962, for voluntarily leaving their employment.

*BAGOTVILLE, QUE.—AIR TERMINAL CONSTRUCTION

Question No. 1,225—**Mr. Côté (Chicoutimi):**

Have any recent developments taken place in connection with the construction of an air terminal at Bagotville and, if so, what are they?

[*Translation*]

Mr. Cantin: It is hoped to submit initial sketch plans and cost estimates for a new terminal building at Bagotville for governmental approval early next year. If approved, detailed preparation of plans and specifications would then be undertaken, with a view to letting a contract if and when funds for this project could be provided in estimates.

[*Text*]

PRIME MINISTER'S OFFICE PERSONNEL

Question No. 1,226—**Mr. Drouin:**

1. From January 1963 to the end of March 1963, what persons being paid from public funds were attached to the office of the Prime Minister of Canada? (a) in what capacity (b) at what salary (c) what was the capacity of each such person to speak fluently in both official languages?

2. Was there a Mr. Pigeon being paid from public funds in the office of the former Prime Minister to promote the French language?

Answer: 1.

January 1, 1963 to March 31, 1963

Name	Classification	Salary	Bilingual
N. S. Crawford	Executive assistant	$10,000	
B. T. Richardson	Special assistant (Appt'd 15 Jan., 1963)	10,000	
J. Fisher	Special assistant (To Jan. 23, 1963)	10.000	Yes
R. Thrasher	Executive officer (To Feb. 25, 1963)	10,000	
T. R. Vout	Economist 4	10,300	
M. J. Deacey	Secretary (A.O. 6)	9,750	
	sec. allow.	1,200	
C. Gauthier	A.O. 6 (To Mar. 18, 1963)	9,390	Yes
M. Wagner (Mrs.)	A.O. 2	6,960	
R. C. Laing	A.O. 1	6,450	
M. Conniffe (Miss)	Supervising clerk	5,880	
L. Lockeberg (Miss)	Supervising clerk	5,700	
G. Champagne	Supervising clerk	5,340	Yes
M. R. Pound (Miss)	Principal clerk	5,400	
M. MacInnes (Mrs.)	Principal clerk	5,400	
J. Fenton (Miss)	Principal clerk (To Mar. 15, 1963)	5,040	
H. Monette (Miss)	Secretary to executive	4,950	Yes
G. McCormick (Mrs.)	Secretary to executive	4,950	
L. G. Lindsay (Mrs.)	Secretary to executive	4,950	
D. Cuggy (Miss)	Secretary to executive	4,950	
A. Johns (Mrs.)	Steno. 3 (secretary)	3,900	
A. Lachance (Miss)	Steno. 3	3,660	Yes
T. Brazeau (Miss)	Steno. 2	3,300	Yes
G. Ouellette (Mrs.)	Steno. 1	3,120	Yes
P. W. McIntosh	Supervising clerk	5,700	
G. Hetherington	Clerk 4	4,710	
L. A. Thibault	Clerk 3	4,200	Yes
I. E. McGregor (Miss)	Clerk 3	4,200	
M. Farley (Mrs.)	Clerk 3	4,050	
M. Forcier (Miss)	Clerk 3	3,900	Yes
G. Smith	Clerk 3	4,200	

H.M.C. "DOCKYARD", HALIFAX—LAY-OFFS

Question No. 1,229—**Mr. Kennedy:**

Can the government say whether lay-offs of employees at H.M.C. *Dockyard*, Halifax, are expected this fall and, if so, when, and how many employees will be affected?

Answer: No, however it must be borne in mind that as the workload in H.M.C. *Dockyard*, Halifax fluctuates from week to week and month to month, there are always a few employees being taken on or struck off strength to meet these fluctuations.

UNEMPLOYMENT INSURANCE FUND

Question No. 1,252—**Mr. Howe (Hamilton South):**

1. Since May 16, 1963, what has been the total subsidization of the unemployment insurance fund?
2. What is the present status of the unemployment insurance fund?

Mr. MacEachen: 1. Since May 16, 1963, a total of $5,000,000 has been borrowed for unemployment insurance purposes, all of which has been repaid.

2. At September 30 the unemployment insurance fund stood at $7,100,864.83.

QUESTIONS PASSED AS ORDERS FOR RETURNS

IMMIGRATION BETWEEN CANADA AND U.S.

Question No. 854—**Mr. Matheson:**

1. How many persons, who were landed immigrants in Canada or natural born Canadian citizens, left Canada to take up permanent residence in the United States of America (a) in each of the years 1951 to 1962 (b) in the years, by decades, since 1870?

2. How many landed immigrants in the United States, or United Sattes citizens, took up permanent residence in Canada during the same periods?

3. Has the government any estimate of what Canada's population would have been on June 1, 1963 had there been no net emigration to the United States from Canda since 1870 and, if so, what is the estimate?

Return tabled.

POST OFFICE DEPARTMENT

Question No. 1,244—**Mr. Martineau:**

1. What was the aggregate revenue of the Post Office Department for each of the following fiscal years: 1957-58, 1958-59, 1959-60, 1960-61 and 1961-62?
2. What were the total expenditures of that department for the same fiscal years?
3. Did the employees of that department receive any salary increase during those fiscal years and, if so, what was the total cost of any such increase in each of the said fiscal years?
4. Were any new postal services set up during those fiscal years and, if so, what was the cost of each service?
5. Have any postal services been abandoned and, if so, what was the cost of these services?

MOTIONS FOR PAPERS

ACCEPTANCE OF FISHERIES COMMISSION RECOMMENDATION RESPECTING HALIBUT

Motion No. 62—**Mr. Barnett:**

That an humble address be presented to His Excellency for a copy of the cabinet minute or other official document which authorized the Secretary of State for External Affairs to notify the executive director, the international north Pacific fisheries commission, by telegram under date of May 10, 1963, that the commission's recommendations for the removal of the halibut stocks in the eastern Bering sea and the herring stocks west of the Queen Charlotte islands from the annex to the convention had been accepted by the government of Canada.

Mr. Pickersgill: Mr. Speaker, I wonder if this motion could stand, in the absence of the Secretary of State for External Affairs.

Mr. Barnett: Mr. Speaker, I agreed on two occasions prior to the recess that this motion should stand. I would hope the matter would be dealt with shortly.

Mr. Pickersgill: I will do my best.

Motion stands.

MAINTENANCE OF ALASKA HIGHWAY

Motion No. 64—**Mr. Nielsen:**

Than an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents, reports, engineering or other surveys, communications, correspondence, or other papers, with respect to the (a) all-weather maintenance of the road from Haines junction in the Yukon Territory to Haines in the state of Alaska, U.S.A. (b) existing maintenance costs of the northwest highway system in maintaining the said road by the northwest highway system of the Canadian army and (c) paving of the said road.

Mr. Laing: Mr. Speaker, there is no date indicated in this motion. However if the hon. member will accept the date January 1, 1959, subject only to the retention of certain privileged documents, we will accept this motion.

Mr. Nielsen: That is perfectly satisfactory to me, Mr. Speaker, I have spoken to the minister in connection with one of the documents, and to his parliamentary secretary. I do not know whether the particular document about which I have spoken to him is privileged, but if he will grant me the courtesy of looking at it, I am perfectly agreeable to accepting the conditions that the minister has expressed.

Mr. Speaker: The motion is agreed to, subject to the reservation as expressed by the minister.

Motion agreed to.

ROAD FROM CARCROSS, Y.T. TO SKAGWAY, ALASKA

Motion No. 65—**Mr. Nielsen:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all documents, reports, engineering or other surveys, communications, correspondence or other papers, with respect to the construction of a road from Carcross in the Yukon territory to Skagway in the state of Alaska in the U.S.A.

Mr. Laing: Mr. Speaker, we are entirely agreeable to accepting this motion, subject to the hon. member accepting the starting date January 1, 1959.

Mr. Speaker: The motion is agreed to, subject to the reservation as expressed by the minister.

Mr. Nielsen: Mr. Speaker, before we leave 64 and 65 I wonder whether I might, as a question of privilege, simply draw the attention of the Minister of National Defence to the fact that the material which I thought was going to be supplied to me and which I was told was going to be supplied to me on October 2 has not yet reached me.

Mr. Hellyer: I am sure it will.

Motion agreed to.

CANADA PENSION PLAN

Motion No. 84—**Mr. Diefenbaker:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all correspondence between the federal and provincial governments or any ministers thereof in regard to the Canada pension plan.

Mr. Pickersgill: Mr. Speaker, there is no objection to this motion, subject only to securing the consent of the provincial governments.

Mr. Speaker: The motion is agreed to, subject to the reservation as expressed by the minister.

Motion agreed to.

Questions

GIMLI, MAN.—ACCESS ROAD TO AIR STATION

Motion No. 86—**Mr. Stefanson:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams and briefs, and the replies thereto, received by the Minister of National Defence or any other government official, from the Manitoba provincial government or any other interested parties relating to a cost-sharing arrangement for grading and hard surfacing the access road from the town of Gimli to the Gimli R.C.A.F. station.

Mr. MacEachen: Mr. Speaker, there is no objection to tabling the correspondence asked for in this motion, provided it is also agreeable to the government of the province of Manitoba.

Mr. Speaker: Agreed?

Mr. Stefanson: Agreed.

Motion agreed to.

MUNICIPAL LOAN FUND

Motion No. 87—**Mr. Starr:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house copies of all correspondence between the federal and provincial governments or any ministers thereof in regard to the municipal loan fund.

Mr. Gordon: Mr. Speaker, there is no objection to this motion, subject to the usual reservation about obtaining consent from the provincial governments and from the ministers concerned.

Mr. Speaker: The motion is agreed to, subject to the reservation as expressed by the minister.

Motion agreed to.

CANADA PENSION PLAN

Motion No. 88—**Mr. Martineau:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, letters or other documents received by the government of Canada from insurance companies or other corporations, firms, associations or individuals concerning the Canada pension plan.

Mr. Pickersgill: Carried.

Motion agreed to.

LISTS OF CONSULTANTS

Motion No. 89—**Mr. Orlikow:**

That an order of the house do issue for a list of consultants prepared in the office of the Secretary of State for the guidance of cabinet ministers and copies of all correspondence between ministers of the crown and the consultants in each riding.

Mr. Pickersgill: Mr. Speaker, I would like to raise a question of privilege in regard to this motion in as non-contentious a way as I can. The motion refers to something which does not exist. It apparently arises because of a statement that appeared in the *Globe and Mail*—at least, that is the only reason I can find for it—on August 27, 1963, which it was indicated at the time was entirely fictitious. It does not seem to me that the motion should be on the order paper at all. In any event, if it did pass there would be nothing whatever to produce.

An hon. Member: Oh, come on.

Mr. Knowles: Nothing that you would produce.

Mr. Speaker: Does the hon. member wish to drop his motion?

Mr. Orlikow: Mr. Speaker, I read that article very carefully and I did not see anything in it which indicated that the story was fictitious. I did not see any statement by the minister later that it was not true. But if the minister tells the house there is no such list of consultants and that he is not writing to the defeated Liberal candidate in the constituency of Danforth, Toronto, as the story says, I guess I will take the minister's word.

Mr. Peters: That is not what he said.

Mr. Pickersgill: Mr. Speaker, I think there is a rather important point involved here. The hon. gentleman said he guessed he would take my word. I want it very clear that no one in my office, to my knowledge—and I have questioned everybody in my office—ever had anything whatsoever to do with anything of this character. I want to make that abundantly clear. What is more, sir, I would also let the hon. gentleman know that since this was just an allegation and had nothing to do with my administrative responsibility, I am rather accessible and he could have questioned me before putting it on the order paper.

Mr. Speaker: Does the hon. member withdraw his motion?

Mr. Orlikow: Yes, Mr. Speaker, I will withdraw it.

Order discharged and motion withdrawn.

ARDA PROJECTS, ALBERTA

Motion No. 90—**Mr. Horner (Acadia):**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, reports, briefs and memoranda, and any replies thereto between the federal government and any of its departments and the province of Alberta concerning projects under ARDA since April 8, 1963.

Mr. Beer: Mr. Speaker, this motion is quite acceptable, subject to the consent of the province of Alberta to tabling the correspondence, reports and other documents requested.

Mr. Speaker: The motion is agreed to, subject to the reservation of the minister.

Motion agreed to.

FEDERAL PARTICIPATION IN TOTE ROADS, YUKON TERRITORY

Motion No. 91—**Mr. Nielsen:**

That an order of the house do issue for a copy of the Tote trail progress report for 1963, with respect to federal government financial participation in tote roads in the Yukon Territory.

Mr. Laing: Mr. Speaker, the document referred to is an internal document prepared for departmental use only. I think such documents have always been considered to be privileged, and probably the hon. member would wish to withdraw this motion. If it would mollify him I would assure him at once that the document for 1963 is not yet prepared and I have not seen it.

Mr. Nielsen: Mr. Speaker, in view of the fact that the report for 1963 is not yet complete I will withdraw the motion. But the minister can expect to see it replaced on the order paper at a future date.

Order discharged and motion withdrawn.

D.E.W. LINE—CONDITIONS OF EMPLOYMENT

Motion No. 92—**Mr. Orlikow:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all notes exchanged between Canada and the United States relating to the conditions of employment of employees working for the Federal Electric Corporation on the Canadian sector of the D.E.W. line and any other documents or agreements between the government of Canada and/or agency thereof and the government of the United States and/or any agency thereof, or between the government of Canada and the Federal Electric Corporation, relating to the terms and conditions of employment of the said employees on the D.E.W. line.

Mr. Hellyer: Mr. Speaker, there are two sets of documents asked for in this motion, both relating to terms and conditions of employment on the D.E.W. line. The first series of documents relates to exchanges of notes. There have been no exchange of notes specifically relating to conditions of employment. The exchange of notes which embodied the actual contract between the governments was tabled in the house on May 28, 1955. With respect to the other documents or agreements between the government of Canada and the United States, or the Federal Electric Corporation, the Department of Labour and the Department of National Defence have no objection to their production, subject to the usual reservations.

Mr. Speaker: The motion is agreed to, subject to the reservation as expressed by the minister.

Motion agreed to.

28902-5—215½

Question of Privilege

Mr. Douglas: Mr. Speaker, on a question of privilege affecting the business of the house, Your Honour has been concerned about the length of the question period upon calling the orders of the day. Nearly every day ministers are telling us that some of the questions asked would be better put on the order paper. I should like to draw the attention of the leader of the house to the fact that there are questions on the order paper which have been there since the first week of July. One of them, the very first question, was there on July 2 and it requires simply a yes or no answer. Certainly if you want to discourage members from putting questions on the order paper, the easiest way to do it is to leave the questions there for three months. Hon. members will then have no recourse but to ask them on orders of the day. It seems to me that some review of the questions should be made by the leader of the house in order to speed up answers.

Mr. Pickersgill: Mr. Speaker, I would just draw attention to the fact that that particular question is not a question about something that is being done. It is a question about the intentions of the government, which I think is probably an improper question even to appear on the order paper, if the rules were strictly adhered to, because the purpose of a question is to find out not what is in the minds of ministers but what has been done by the government. Some of these questions for that reason are very hard to answer. But I think that if the numbers of the questions are looked at and it is seen that there are only five questions up to No. 1,000 which have not been answered, the record is not really very bad.

Mr. Douglas: I just point out that if the government has intentions, whether honourable or otherwise, they certainly ought to be stated, and it should not take three months to tell us what the intentions are.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, I think I should put my question as a question of privilege, since three times in this house I have asked the party in office whether it was normal that an English answer be made to questions on the order paper which are drafted in French.

Mr. Speaker, in view of the bilingual character of our country, I am of the opinion that this question is one of privilege, and that more precisely because I noticed only a few minutes ago that the answer given to question No. 1,219, which appears in today's

order paper, was drafted in English only. I refuse to accept this answer and I insist upon an answer in French.

[*Text*]

LABOUR RELATIONS

LONGSHOREMEN'S STRIKE—REQUEST FOR STATEMENT ON PRESENT POSITION

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 Labour if he is in a position to give a report regarding the situation of the longshoremen's strike, having regard to the serious situation both economically and with particular reference to the Russian wheat agreement. Can something be done in this connection?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the federal mediator, Judge Lippe, is meeting again with the parties this afternoon and is continuing his efforts to secure a settlement. At this stage we are concerned, as is the right hon. gentleman, with the serious aspects of this work stoppage, but at the present time we feel that the federal mediator should be allowed to pursue his activities.

Mr. Diefenbaker: Mr. Speaker, surely there must be something more than this that can be done. It begins to have the appearance of outrageous indifference to a serious situation.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: That is a view which is being generally held. I am asking the minister how long these negotiations will continue and what are the hopes; for from day to day delay is taking place and the economic situation is deteriorating, so far as the sale of wheat is concerned.

Mr. MacEachen: Mr. Speaker, I might remind the right hon. gentleman that when he was prime minister of this country he allowed a strike to prevail for 17 days in Vancouver, which he himself described as a work stoppage which throttled the western economy and paralysed the western farmer.

Mr. Diefenbaker: Mr. Speaker, the allegations with reference to myself have to be answered, and I answer them as a matter of personal privilege. There was no economic dislocation. There was no endangerment of a large sector of the Canadian economy at that time. We acted and got results when we acted.

[*Later:*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question which is supplementary to the answer given a few minutes ago by the Minister of Labour. In his answer to the Leader of the Opposition the Minister of Labour said that the federal mediator was still meeting the parties. Will he tell the house whether it is a fact that the longshoremen have today rejected the proposals made by the federal mediator?

Mr. MacEachen: Mr. Speaker, I have been advised that the proposals made by the mediator to the union membership were rejected, in fact, this morning. But surely it is not wise in this situation to conclude that there is no room for mutual concessions in an effort to reach a settlement.

Hon. D. S. Harkness (Calgary North): I should like to address a question to the Minister of Trade and Commerce. Can the minister inform the house how long ships now waiting in the St. Lawrence to load grain are prepared to wait there in order to take on cargoes?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I am not in a position to answer that question directly. I can assure the hon. member that we hope the interval will be as short as possible.

Mr. Harkness: I wonder whether the minister could get that information and let us know tomorrow, so that we may have some idea what the repercussions may be as far as grain movement is concerned.

Mr. Sharp: I will try to get such information as may be helpful.

[*Later:*]

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to ask the Minister of Labour a question. Does he intend to implement the recommendation of the chairman of the board of conciliation in the dispute between the shipping federation and the international longshoremen's association in Montreal, namely to have a royal commission investigate the retirement fund of the employees, which is under the sole management of the companies?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have examined the report of the conciliation board, and I think any comment on any particular aspect of this matter should be reserved for the present.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Labour. Has the minister received official complaints from Canadian Pacific officials because of the fact that the

liner *Empress of Canada* was unable to anchor in the harbour of Quebec city following the strike of some 200 longshoremen?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the answer is yes.

BUSINESS OF THE HOUSE

PUBLIC ACCOUNTS—INQUIRY AS TO MEETING OF COMMITTEE

On the orders of the day:

Mr. J. E. Lloyd (Halifax): Can the leader of the house advise the house when he anticipates the convening of the standing committee on public accounts?

Hon. J. W. Pickersgill (Secretary of State): I hope the committee will be convened right away, or just as soon as possible. I believe the Prime Minister has a word to say about this.

Right Hon. L. B. Pearson (Prime Minister): I should like to add that it is hoped a member of the official opposition will act as chairman of this committee, as was done under the previous government.

WORLD FAIR

INQUIRY AS TO SALARY OF COMMISSIONER

On the orders of the day:

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Minister of Public Works.

On October 2 I asked the minister a question concerning the salary to be paid the commissioner general of the world exhibition. The minister told me then that he would answer my question the next day. Since the commissioner general is now back from Paris, could the minister give me an answer now?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I shall answer that question in a few days.

[*Text*]

DOMINION-PROVINCIAL RELATIONS

SUGGESTED CONFERENCE TO CONSIDER UNEMPLOYMENT

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I should like to direct a question to the Prime Minister. Could he tell the house if he is still thinking of calling a federal-provincial conference to study the unemployment problem and the means to deal with it? If so, when does he expect to call the conference?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): A federal-provincial conference has already been called for November—I forget the exact date—and this is one of the important subjects which will be discussed at that conference.

SHIPPING

SUGGESTED ESTABLISHMENT OF CANADIAN MERCHANT FLEET

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to ask the Minister of Transport whether the government intends, in co-operation with the Minister of National Defence, to take the necessary steps to give Canada a true merchant marine, with a view to making our country politically as well as economically independent.

[*Text*]

Mr. Speaker: May I suggest that is a question for the order paper too.

COASTAL TRADE—INQUIRY AS TO LEGISLATION THIS SESSION

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, my question is directed to the Minister of Transport.

Does the government intend to bring in soon a bill to amend the Canada Shipping Act in order to limit coastal navigation to Canadian ships?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, the matter of what legislation is going to appear on the order paper is one of government policy to be announced in the ordinary way. I think the hon. member has misused the name of the act that would have a bearing on the subject with which he is concerned.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Minister of National Defence.

Is it true that the Minister of National Defence stated in Quebec that Quebecers should decide in favour of a strong central state at the expense of provincial rights?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I will be glad to send my hon. friend a copy of the address.

Inquiries of the Ministry

LABOUR CONDITIONS

BRANTFORD, ONT.—DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Prime Minister. In view of the report in the *Globe and Mail* today that the town of New Hamburg in Waterloo South has announced its decision to join the councils of the neighbouring cities in protest against the government's designation of the city of Brantford as a distressed area, has the Prime Minister anything further to add on this matter?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker. I had the pleasure of an interview with the mayor of Guelph yesterday and I told the mayor, who brought this matter up in its particular reference to his city, that we were looking into the problem and I would be in touch with him before the end of the week.

Mr. Speaker: The hon. member for Joliette-L'Assomption-Montcalm.

Mr. Pigeon: Mr. Speaker, in view of the time I will address my question tomorrow.

REPORTED ECONOMIC FORECAST RESPECTING WINTER UNEMPLOYMENT

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Prime Minister whether the government has in its possession an economic forecast prepared by government economists which indicates that unemployment in the coming winter is going to be lower than for eight years. I ask the Prime Minister, because I have seen accounts in the press which indicate that this information has been released to some newspapers. I feel that if the government has this information in its possession it would be of interest to members of the house.

Right Hon. L. B. Pearson (Prime Minister): I have no reports of that kind, and none have been brought to my attention. I do not believe they are completed yet, but I would be glad to look into the matter to see if they do exist.

REQUEST FOR LONGER APPLICATION OF HOUSING BONUS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to put a question to the Minister of Labour.

Since the incentive program for housing construction during the winter months is to be in force from December 1 to March 30, and considering that the northwestern area of Quebec, which includes the towns of Rouyn and Val d'Or, was designated as an underdeveloped area, and that the weather in the area is extremely severe, would it be possible to extend this period from November 1 to April 30 instead of December 1 to March 30?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): I shall be glad to consider that point.

WINTER WORKS—REQUEST FOR EXTENSION OF PERIOD

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to ask a supplementary question of the Prime Minister. Is he prepared to accept the reasonable and logical request of Mr. Donald Summerville, the mayor of Toronto, requesting that the former period of duration of the municipal winter works program, which was inaugurated by the former government, be re-established so that it may be as effective as it has been in past winters?

Right Hon. L. B. Pearson (Prime Minister): I shall be glad to look into that matter of the reasonable request of the mayor of Toronto as described by my hon. friend.

CONSULTATIONS RESPECTING PAYMENTS TO OLDER WORKERS

On the orders of the day:

[*Translation*]

Mr. Charles-Eugene Dionne (Kamouraska): Mr. Speaker, I should like to ask the Minister of Labour a question concerning the experimental program to pay a $75 monthly bonus to the employer of every worker 45 years of age or older. Could the minister tell the house whether the unions were consulted as regards the seniority clauses in a great many collective agreements?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I regret that I do not relate the question that is asked to the effect of the older workers' program.

NORTHERN AFFAIRS

NORTHERN TRANSPORTATION COMPANY—COMPETITION WITH PRIVATE ENTERPRISE

On the orders of the day:

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I have a question for the Minister of Trade and Commerce. Would the

minister advise the house if Northern Transportation Company now intends to refit for northern use the L.S.M. which it has brought into Vancouver, or has the minister instructed that crown corporation to get rid of this vessel in order to discourage further expansion of this crown company's competition with private enterprise?

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

Mr. Nugent: Mr. Speaker, I think the minister was prepared to answer it.

Mr. Speaker: Then may I suggest to the minister that this is a question for the order paper.

Mr. Nugent: On a point of order, may I suggest the point is that the northern people have to make their plans well in advance, and this is the appropriate time. By the time a question on the order paper might be answered it would be a little too late to help private enterprise.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I do not intend to go contrary to your advice with regard to the answer to this question, but I do owe an answer to the hon. member which I think I perhaps should make now. He asked me the other day for some statement on general policy in this area and I should like to put this on record. I think it may go some way toward answering his question.

It is the government's intention that Northern Transportation Company Limited shall continue to function as a common carrier in the Mackenzie basin and along the Arctic coast, and in so doing help to provide these areas with an efficient and dependable transportation service. In performing this function the company will, as it has done in the past, operate as a normal business corporation. It will, for instance, continue to replace and improve its equipment when, from the viewpoint of service and economy, such action is justified, and will provide additional equipment if the volume of traffic or the development of the area indicates that such equipment is needed.

The Northern Transportation Company has for many years provided the Mackenzie basin with a dependable freighting service during the summer months and last year, at the request of the Hudson's Bay Company, took over the Hudson's Bay's freighting operation on the Arctic coast. A similar transaction took place between the Hudson's Bay Company and Northern Transportation in 1958 when Northern took over the Hudson's Bay's Mackenzie river transportation system.

As the hon. gentleman knows, one of Northern Transportation's functions is the delivery to the stations of the midsection of the D.E.W. line of the portion of the yearly resupply that cannot be delivered by air.

Private enterprise is also providing service and will probably continue to do so. It seems to me that under existing circumstances both Northern Transportation and the private companies operating in the north are needed to provide a dependable and efficient transportation system.

ADMINISTRATION OF JUSTICE

QUEBEC—TRIALS OF ALLEGED MEMBERS OF F.L.Q.

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I want to ask the Minister of Justice a question. Following numerous representations from citizens in the province of Quebec, and though I disapprove the acts of terrorism of the F.L.Q., would the minister have an inquiry made to establish whether, in the admission of guilt of the members of the F.L.Q., the necessary measures were taken to abide by the Criminal Code, the Canadian Bill of Rights and the law?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, as I stated in the house on several occasions, the Department of Justice and the R.C.M.P. are particularly interested in the happenings in the province of Quebec, with regard to the F.L.Q. However, the maintenance of law and order, and the administration of justice as well, is under another administration, and I think that the hon. member should rather submit his questions to the latter.

Mr. Gregoire: A supplementary question, Mr. Speaker. I spoke of the Criminal Code, which is after all a federal act, and I asked the Minister of Justice whether he intended to investigate whether, in the admission of guilt of the F.L.Q. members, all Criminal Code provisions have been observed?

Mr. Chevrier: Mr. Speaker, it is true that the Criminal Code is under federal jurisdiction, but it does not define a subversive organization. On the other hand, the constitution clearly states that the administration of justice is under another jurisdiction.

[*Text*]

EXTERNAL AFFAIRS

HAITI AND CUBA—OFFER OF ASSISTANCE FOLLOWING TORNADOES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Yesterday I directed a question to the government which was left over because the

Prime Minister was absent. I asked whether or not the government had given any indication it was prepared to provide some assistance to Haiti, Cuba and Jamaica which have suffered very serious damage because of the tornadoes of recent days?

Right Hon. L. B. Pearson (Prime Minister): The matter is under consideration. We are trying to ascertain the nature and extent of the damage and what can be done to help.

TRADE

TOBACCO—REQUEST FOR PERSONNEL OF DELEGATION TO RUSSIA

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, I should like to put a question to the Minister of Trade and Commerce. Can he give the house the names of the members of the Canadian trade delegation which initiated last Monday in Moscow negotiations for the purchase of Canadian tobacco by Russia?

[*Text*]

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

MARITIME TRANSPORTATION UNIONS

PROVISION FOR MANAGEMENT AND CONTROL BY TRUSTEES

Hon. A. J. MacEachen (Minister of Labour) moved that the house go into committee to consider the following resolution:

That it is expedient to introduce a measure to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees; to provide for the establishment of the board of trustees of the maritime transportation unions consisting of a chairman and two other members; to provide for the payment of their remuneration and expenses and to authorize the employment and remuneration of such personnel as may be necessary for the carrying out of the duties and powers of the trustees under the said measure.

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

Mr. MacEachen: Mr. Chairman, in introducing this resolution I would remind the members of the house of the statement I made on August 1, the day before adjournment. On that occasion I announced the decision of the government to establish a trusteeship to deal with the critical maritime shipping situation affecting trade, labour and other international relations between Canada and the United States.

It will be recalled that Mr. Justice Norris delivered his recommendations in mid July of this year, following what I described at the time as one of the most intensive inquiries ever made in Canada in a labour relations situation. Justice Norris' report has received praise throughout Canada. There has been some criticism as well. In commenting on the latter, I have said the facts of the report speak for themselves, and that no detailed challenge has been made which goes to the basis of the facts as they were established before the commission.

When I announced the government's decision in respect of the trusteeship, as recommended by the commissioner, I said the government would proceed with legislation to provide for such a trusteeship when the house reconvened, unless an effective alternative were found in the meantime. I informed the house in August that the proposed action was supported by four of the five unions directly involved and by the Canadian Labour Congress. It is a matter of record also that spokesmen for all the other parties in the house strongly endorsed the decision of the government in this regard. Naturally, Mr. Chairman, I am grateful to hon. members for this support.

Since August, and more particularly during the past three weeks, some criticism has been directed at a public trusteeship, and pressure has been generated both in Canada and the United States for a voluntary form of trusteeship. The latter has been urged as being in the best tradition of free unions, and as being consistent with the sound development of international unions in Canada and the United States over the past 100 years.

Everyone agrees a private arrangement, whereby union organizations themselves establish controls over their own members and institutions, is the desirable and preferable way to proceed, provided this would end the disruption of shipping and restore clean and democratic unionism where this is lacking in the water transportation industry.

In view of this position which we in the government have maintained throughout, and in view of the strong representations received in this connection, we have since August explored exhaustively and continuously the possibility of an effective alternative, while at the same time proceeding with the task of preparing trusteeship legislation so as to be ready for prompt action if all possibility of action by unions themselves failed.

Immediately after the house recessed on August 2, the deputy minister of my department, Mr. Haythorne, went to Washington to discuss the whole situation with Secretary of Labour, Willard Wirtz. This was followed by other direct discussions involving members of the government and departmental officers with members of the United States government and their officers. In addition there has been almost daily contact by telephone and

telegram with United States authorities, either directly or through our embassy in Washington.

Hon. members will also know that the United States Secretary of Labour came to Canada for a second time on September 11 following the deplorable dynamiting of the vessel, *Howard L. Shaw,* at Chicago.

There have, of course, been numerous discussions throughout the period with officials of the Canadian Labour Congress, and it is also well known that officials of the Canadian Labour Congress have visited Washington from time to time to establish a meeting of minds with U.S. labour officials.

More recently on September 28 I discussed the situation with the U.S. Secretary of Labour in Boston with representatives of the A.F.L.-C.I.O., the C.L.C. and our respective officials. The Secretary of State for External Affairs has also discussed the matter with the U.S. secretary of state during a recent visit to Washington.

In all of these discussions a determined effort has been made to find an acceptable alternative approach to a public trusteeship which would restore union rights to thousands of Canadian seamen as well as ensure, along with that action, freedom of passage of Canadian vessels in United States waters and ports without fear of harassment and violence.

It has not proved possible to secure full agreement of the union leaders in our two countries to such an alternative approach. While it will be clear to all hon. members that the government has never wished to close the door to voluntary settlement, it must under the circumstances now proceed with the legislation.

There has been speculation as to the reception some union leaders in the United States might give to a trusteeship approved by parliament, and even a fear has been expressed in some quarters that a total boycott might be directed against all Canadian maritime shipping in United States ports. Any such reaction would be a grave concern to the government of Canada and all Canadians. It could only result in a serious disturbance to friendly relations between the peoples of our two countries, and I am sure no one wants that. But, no Canadian can accept a state of affairs whereby labour problems, subject to and settled under Canadian law, are exported to another country in an attempt to set aside due process of law in Canada.

The government of Canada can take action to deal with those matters which are under Canadian authority. With respect to violence or other acts of harassment in the United States, we must rely on the good offices and co-operation of the United States government and of responsible union leaders who believe in and are committed to the support of the civil rights of union members and the maintenance of clean and democratic unionism.

A labour union in Canada, whether it is national or international, is free to pursue all legal acts in conducting its business in Canada. It must, however, not seek to flout and disregard Canadian law through attempting to export or transfer Canadian problems, already settled in Canada, to another country for extra-legal determination.

There is a matter of the rights of Canada involved in this situation that transcends the desire of any organization to be dominant in an industry at all costs and regardless of all law.

I would ask hon. members of the committee to give their support to this resolution in the knowledge that we are facing, and may face in the future, a potentially dangerous situation, a difficult situation which cannot be allowed to persist. I ask them to realize with me that the situation may in fact grow worse before it gets better, and I would strongly urge all union members and others concerned with this situation, in both Canada and the United States, to lend their assistance and support to the action which the government, and I feel sure the committee, consider must be taken at this time.

It is my profound hope that through this action we shall see a return to the democratic, free and constructive unionism that is essential to the well-being of labour in Canada.

Mr. Diefenbaker: Mr. Chairman, the remarks on behalf of this party will be made by the hon. member for Ontario, and I rise merely for the purpose of asking a question. Under all the circumstances, would the minister feel free at this time on the resolution stage to give the committee a preview of the bill itself—a general summary of it? Ordinarily that is not done but we are endeavouring to assist in passing this legislation, and it would be most helpful for the discussion and would reduce very considerably the time taken on this matter if the minister did feel constrained to give this information.

Mr. MacEachen: Mr. Chairman, I am willing to co-operate in that suggestion. Maybe I cannot give the information as clearly as it is given in the bill itself, but, with the consent of the committee I will say, the purpose of the bill is to establish a trusteeship of three members to be entrusted with the management and control of the Canadian maritime transportation unions.

The schedule to the bill provides that all the five unions and their maritime locals will be covered by this trusteeship. The authority of the trustees will be the authority that is normally vested in the officers of these

trade unions by their constitutions and by-laws, except that certain additional powers are given to the trustees, including the appointment of advisory committees of seamen and joint committees of seamen and employers to advise the trustees; the appointment by the trustees of negotiating committees to bargain; advice to the members for prospective changes in the constitutions of the unions; and also authority to remove and suspend officers and employees of any union and provide alternatives in their place. Certain action is taken to place in the hands of the trusteeship the business affairs of the union, but I would rather leave that until we come to the details of the bill. We have placed a provision in the bill that this will be of a temporary character. It will be, I think, for a period of five years; this period has been selected for obvious reasons. There is also a provision that if it is advisable, in the opinion of the trustees, the unions may be removed from the trusteeship and the trusteeship may end before the expiry date. We made an effort to provide a terminal date and make it a temporary and not a permanent arrangement that would continue, once the situation had been cleared up. Those, in general terms, are the provisions of the bill.

Mr. Diefenbaker: I thank the minister.

Mr. Starr: Mr. Chairman, I wish to make some remarks in respect of this resolution. I do not intend to make any further remarks during the passage of the bill after I have concluded at this time, unless after careful perusal of the provisions of the bill it is thought necessary to deal with some of its provisions or lack of provisions. This situation on the great lakes is a struggle between Mr. Banks, his lieutenants, his aides, and the bona fide labour movement in this country. It is not a struggle, in effect, between the membership of the S.I.U. and others; it is a struggle between Hal Banks, his lieutenants, and the labour movement of this country. I say this because many of the members of the S.I.U. are good Canadians, but they have been held down and exploited by the leadership of the seafarers international union. There was also, and had been for some time ever since the entry of Mr. Banks into this country, an amiable situation existing between the Liberal government of that day and Mr. Banks. This was very forcefully pointed out by the right hon. Leader of the Opposition when he spoke in this house on Friday last. Evidence of this and the expectation of Mr. Banks that this prolonged amiable friendship with the former Liberal government would be projected to the present government has been set out very effectively.

[Mr. MacEachen.]

I want to refer to a press clipping from the Toronto *Globe and Mail* of recent date in which it was said:

> Minutes filed before the Norris inquiry by the S.I.U. said the union got along well with former labour minister Milton Gregg, a Liberal, but not so well with the current minister, Michael Starr, a Conservative.

Mr. Banks was looking forward, as I pointed out, to the continuation of that amiable relationship, because in the speech in Washington after the federal election of 1963 he made a statement to the effect that he could not get along with the former minister of labour, meaning myself, but looked forward to more friendly relations with the present, the new Liberal administration. So much for this—

Mr. Pearson: So much for politics.

Mr. Grafftey: A terrible thing, politics.

Mr. Starr: —friendship. That friendship has now come to an end with the introduction of this resolution and the bill that will follow. But let us look back for a brief moment to the events that have transpired up to the moment. The Norris commission was set up at the behest and the demand of the Canadian Labour Congress because the situation on the great lakes was intolerable. It is obvious to everyone that no government could impose such an inquiry on unions without great criticism from the labour movement in Canada unless it were done at their request. The labour movement is suspicious of moves of this kind, and unless and until they themselves feel the time is ripe for such an inquiry governments cannot move in this direction. It was the former government which moved in this direction. This inquiry was set up with Mr. Justice Norris as the commissioner. He did an excellent job after a long and careful study of the problems and after going into the various aspects of the trouble on the great lakes. Then he made his report. The revelations in that report were such that they shook the whole nation and demands for immediate action on his recommendations were pouring into Ottawa from every part of our country.

This was when the present government began to delay action on the report. The recess was called for parliament. No action was taken. At that time—and I repeat what the Leader of the Opposition said last Friday—we were given assurances that if anything untoward happened during that period of recess, parliament would be called to deal with the situation. The dynamiting of a ship took place. Well, it seemed to be of no consequence to this government. Parliament was not called. Then when we get back here

again we find we are in the second week of this parliament before the resolution is brought forward.

What has transpired in the meantime? One can probably contemplate on this and look into the crystal ball, because we have not been given the facts. I would suggest, Mr. Chairman, that the government was looking for a way out, other than implementing the recommendations made by Mr. Justice Norris. Also, they were trying to bring into their orbit help from wherever they could find it. They went to Washington. They may have suggested that Mr. Wirtz come to Canada and look for some other solution to the problem in this country. Mr. Wirtz came to Canada and, as reported in the newspapers, upon questioning as to what could be done in respect of this matter, he said:

> I would rather answer that a little obliquely. I am a great believer that in the free labour movement there are the elements for dealing with a situation of this kind. I hope very much that some way will be found whereby the assertion of this basic responsibility of free trade unions in this country and in the United States will produce an answer to this.

He also said, as reported in the New York *Times*, a clipping of which I have here:

> I think we believe in both countries that whatever can be done privately is much better done privately than done publicly.

This seed was planted. Then the movement was made to try to find some solution other than that recommended. They even went so far in the last, dying moments as to send the under secretary of labor, Mr. Reynolds, here to see whether a last ditch stand could be taken to find a solution. But all in vain.

The government has now been forced to take the action that they should have taken last July. The Canadian Labour Congress, a responsible body of representatives of the free Canadian labour movement, were probably forced to look into the situation. They knew very well that they could not work out an agreement with the United States unions because of the attacks by the leaders of that movement in the United States upon the leaders of the Canadian Labour Congress. They knew their attitude was such that would bring about no solution. In the release yesterday of the Canadian Labour Congress they advise the people of this country:

> The executive council of the Canadian Labour Congress, meeting in Ottawa, today decided to inform the government that repeated efforts to effect a voluntary method of cleaning up the union situation on the great lakes and the St. Lawrence seaway have been unsuccessful. We are therefore unable to make any recommendation regarding a private trusteeship.

Mr. Chairman, let us look to see what their attitude is with respect to this situation. They say:

> —the intolerable situation which currently exists has to be corrected. Everything humanly possible has been done by the congress and its affiliates to resolve the problem without government intervention. Unfortunately, the other trade unions could not be convinced to co-operate.

They mean those in the United States.

> In view of this failure and the position of the affiliates involved, all four of which have indicated that they are prepared to accept temporary government trusteeship—

So that the government has eventually been forced to take action which they could have taken last July, because even then it was evident that no other solution could solve this problem.

However, when this trusteeship is set up and goes to work there remains a very difficult problem with respect to shipping on the great lakes. The harassment of Canadian ships which has been experienced in the past will be redoubled in the future, not only in United States ports but in other ports. The Minister of Labour mentioned that the Secretary of State for External Affairs took up this matter in Washington. I refer to a clipping from the Toronto *Telegram* dated September 9 which says:

> The U.S. department of labour called on the F.B.I. to investigate this latest flare-up in the union war on the great lakes. But in Chicago the F.B.I. said "We're taking no action at present." Secretary of state Rusk labelled it "an unfortunate incident".

This refers to the dynamiting of a Canadian ship in a Chicago port. Secretary of state Rusk labels it "an unfortunate incident". No action was taken. The report goes on:

> An official said the state department would want to hear the F.B.I.'s findings but added: "There is very little that this department can do."
>
> Canada's external affairs minister Martin complained to Mr. Rusk over lunch here Saturday.

The minister did not ask or demand that something be done; he complained to Mr. Rusk over lunch. This is the method of approach of this government with respect to this very serious situation.

> The timing was unfortunate. Minutes before the two statesmen had exchanged compliments about 150 years of peace along the U.S.-Canadian border. Mr. Rusk handed over an ugly big woodcarving to mark the anniversary of the last great lakes battle—lake Erie, 1813.

No action has been taken in the United States to deal with this matter. The courts there have issued injunctions. These injunctions have been completely ignored and no action taken to put them into effect. We must look at this situation seriously and not just go and discuss over lunch what happened on the great lakes in 1813. The happenings now on the great lakes are far more important and far more dangerous to Canada. The Secretary of State for External Affairs, as has been

stated, complained about the matter. I think that we should make strong demands, in order to bring about peace on the great lakes, that the United States government take some strong, effective measures to see that Canadian ships are able to arrive at United States ports and load and unload their cargoes without harassment such as that experienced in recent months.

I must point out that the setting up of a trusteeship is not something that a Canadian labour movement or any labour movement likes to have happen. It is very distasteful to the labour movement. But I think that all who are affected by this will realize that it is probably the only solution to the problem. I want to point out to the government that this trusteeship should be on a temporary basis. There should be some clear understanding that the trusteeship should have this matter cleaned up by spring, before the season on the great lakes opens again. It should certainly be underlined that this should not be taken as a precedent to sustain the present situation in the labour movement in Canada; that it will not be a practice of government to put unions under a trusteeship unless the situation warrants it, or the position is as serious as that which has been experienced recently on the great lakes. I fully realize the fear which the Canadian Labour Congress and other unions across this country have with respect to this action, and consequently I think their fears should be allayed by a statement from the government to the effect that it is not setting a precedent, and that this trusteeship is of a temporary nature.

We will look closely, Mr. Chairman, at the legislation when it comes before us, and we will examine it to see whether it is effective and workable. I hope the members of the house will find their way clear to pass this legislation as quickly as possible.

Mr. Thompson: Mr. Chairman, it being five o'clock, may I call it five o'clock?

Mr. Churchill: Mr. Chairman, I wonder whether the house would give consent to continuing in committee of the whole for the next hour and dispense temporarily with the private members' hour for today. The hon. member for Melville, who has a notice of motion for debate, might agree to postpone it to some future occasion. The subject matter now before the house is of such importance that I think we could more usefully spend our time for the next hour dealing with it.

Mr. Pickersgill: Mr. Chairman, that course would be agreeable to the government, if it were agreeable to other members of the committee.

[Mr. Starr.]

Mr. Herridge: I think that would be agreeable to our members, Mr. Chairman, provided the debate terminated for this evening when the leaders have spoken.

An hon. Member: That will save time.

The Chairman: Actually, the rules should not be changed unless the Speaker is in the chair, but I presume the chairman of the committee can be blind to the clock. Does the committee give unanimous consent?

Some hon. Members: Agreed.

The Chairman: Then it is agreed.

Mr. Thompson: Mr. Chairman, my remarks will be confined to the principles involved in this resolution, and to the situation which has existed for the past number of months on the great lakes as it concerns, in particular, the S.I.U. In approaching this legislation I believe it is the first duty of this house to grasp clearly the depth and the importance of the issues which are involved. The legislation is the last step in a long chain of events, a continuous story of violence, disruption of commerce, defiance of law and exploitation of seamen on the great lakes. This has continued for many years and it has culminated in the formation of the Canadian maritime union, numerous acts of violence against its members and, finally, a retaliatory boycott of S.I.U. ships on the Welland canal by members of the C.B.R.T. This is what precipitated the inquiry held by Mr. Justice Norris, and the recommendations which we are now asked to pass into law.

No one who has read the report of Mr. Justice Norris—and I believe this report gives us the true facts of the case as they would have been found had one judge or 50 sat on this royal commission—can have any doubt whatsoever as to the basic issues involved. We are dealing with the issue of the preservation of law and order as against mob violence. We are asked to restrain a man who, according to the commission's report, is lawless and prepared to use any weapon to gain his own ends. The commission has found a grisly tale of the exploitation of Canadian citizens, financially and economically, by the dictatorial legal and extra-legal powers assumed by the management of the S.I.U. There is not the least shadow of doubt that the management of this union has been directly responsible for instigating violence against the persons and property of those, particularly the members of the new Canadian maritime union, who threatened its monopoly of power.

There is not one law in this country for citizens who live inland, and another law for

the waterfront. It is the duty of this government—of this parliament, ultimately—to make sure that the Queen's justice and the Queen's peace extend to every part of this dominion and, yes, integrity and honesty in both labour and commercial operations. Dishonesty by consent, whether by the S.I.U. or the C.S.L. is wrong. Extraordinary situations arise, and extraordinary measures such as those proposed today are needed to deal with them. But unless we regard the maintenance of simple law and order within our nation as the first and the highest duty of government, we are failing the citizens of this country whom we represent, in the most elemental duties of government.

The second major issue with which we are dealing is that of the position of the Canadian workingman. There is not the least shadow of doubt, as one studies the Norris report, that it is the Canadian seaman who has been the real sufferer in this affair. It is he who has been charged the excessive initiation fees. It is his money that has gone into the welfare funds of the union, funds for which no proper accounting has been made. It is he who has found his bread and his livelihood taken away at the whim of a dictatorial union boss with a criminal record; it is he who has been beaten up, or has found himself on the infamous "do not ship" list, should he have dared to defy the power of this dictator. Let us remember that it is we ourselves—the parliament of Canada itself—who have approved the legislation under which the S.I.U. has been operating, and this includes the right to make collective bargaining agreements which compel all sailors employed on ships manned by the union to belong to it. When such abuses as these are found to exist, we must examine the legislation itself under which we have allowed the union to operate, to see if it is entirely free from blame.

The third issue that confronts us is the future of the labour movement itself in Canada, as a body independent of control from outside the country. This is raised squarely by the issues in this case, and we must face it squarely. The Canadian maritime union was created through efforts of the Canadian Labour Congress as a Canadian answer to the corruption of a foreign controlled international union. On its creation, something approaching open warfare broke out, a situation to which the government of the day appears to have turned a blind eye until compelled by the blocking of the Welland canal to take some action. Government inaction continued for too long, in spite of repeated protests to the Department of Labour, which placed the government of the day in full possession of the facts of the case. Unless the power of the S.I.U. is curbed; unless the principle is established that Canadians have the effective, practical right, fully guaranteed by effective enforcement of law, to form unions of their own and conduct their union affairs peaceably and without interference, we may as well confess that an independent Canadian labour movement is at an end, that from now on the activities of Canadian workers will be controlled from outside the country. We will be forced to confess that we can no longer control for ourselves the labour conditions of our own Canadian citizens, that we have allowed them to pass from our own control to that of gangster-dominated foreign unions, exploiting our workers for their own advantage. This is a situation that is perilously close, unless the government acts with decision at this time.

There are two key factors in deciding the course of action that the government proposes. The first of these is the element of time. The navigation season on the seaway can be expected to close in less than two months from now. The cost to ship owners of having their vessels tied up beyond that date is heavy. This is a fact well known to those concerned in this dispute. Time is on the side of the existing union management. The longer the delay in having the S.I.U. placed under effective control, the greater the bargaining power of that union in dictating its demands to ship owners. Two months have gone by while parliament has been in recess and this legislation has been in preparation. Freeze-up is approaching. There is no room for pussyfooting. Action, immediate action, is necessary now.

There is no ground for giving these powers to the government if, as some reports indicate, it is the government's intention to delay making use of the legislation once it has been obtained. Delay is only going to make matters worse. This situation has been deteriorating season after season and it will continue until resolute action is taken. We cannot waste any more time.

The second key quality which I demand be shown by the government here is courage. Let us keep our basic sense of what is right and what is wrong in such a situation as we are facing now. The law has been defied and the rights of Canadian citizens have been shamefully disregarded. A royal commission has put us in possession of the facts. It has made this key recommendation of trusteeship which has now been embodied in legislation. There is only one thing which remains to be done, and that can be spelled out in a single word—action. Are we going to enforce peace, honesty and the law in this matter or not? To say that we are not, to allow defiance of the law and the principles of justice to

continue because of lack of courage on our part would certainly be an abandonment of the responsibilities we have to the Canadian people as their representatives in this house. Heaven knows, we follow the example of the United States in a lot of things, but for once let us have the courage to show that we in Canada can take action that will protect our citizens and maintain the law, about which we talk so much.

We have seen a Canadian ship, the *Howard L. Shaw,* tied up in a United States port for the whole of the summer. We have seen how this ship has been boycotted, abused, even dynamited. The Prime Minister has made complaints directly to the President of the United States in the matter. The owners of the ship have reported they have suffered a loss of something more than $3 million in endeavouring to assert their right to man their ships with crews belonging to a Canadian union. Court orders and court injunctions have been obtained and have proved to be not worth the paper on which they were written. The law and the executive have been defied. The word of the union boss on the Chicago waterfront is stronger than the word of the courts of the United States or its president. Perhaps this is good enough for the United States, but I believe it rests upon us as Canadians to insist on something better so far as our own country is concerned.

We as members of this House of Commons must realize that there is a great deal at stake, and certainly this is not an easy matter. The Banks problem would not be nearly so acute were it not for the key position that Banks himself holds as the man who controls a large block of Canadian votes, which are a matter of expediency to the international union in the United States. There is in the United States a conflict between the eastern and western elements of the S.I.U., and the leadership of the S.I.U. itself is an important factor in the control of other groups of unions in the United States. Banks through his Canadian votes as a non-citizen of this country holds this balance of power in the labour union struggle that is going on in the United States.

It is for this reason that I would point out to the Minister of Labour and the government that I believe the government would have been running an unwarranted risk if they had allowed any form of private trusteeship to take place. Perhaps it is not possible for us to say with any degree of supporting evidence that the very forces that have permitted this situation to develop and continue in Canada are responsible for the strike we have on the St. Lawrence waterfront, but certainly the facts of the situation would indicate that they are.

We must have a guarantee that justice will be maintained and that the rights of Canadian citizens will be protected. We can only do that in this extreme situation on the basis of a government trusteeship. There must be a guarantee that Banks will not still be able to pull the wires and control affairs from the other side of the border. The only way we can be positively sure of complete integrity will be if the functions of the management of the Canadian branch of the S.I.U. are placed under the direction of a government trusteeship.

We in the Social Credit party are convinced that such action must be taken and taken quickly. Let us remember that the Canadian Labour Congress has willingly agreed to submit to such a government trusteeship, and even after the congress has been given the opportunity to try to work out something on a private basis it has come back and said that the situation is hopeless. Thus the Canadian Labour Congress is behind the trusteeship and is supporting it. At least, those unions in the congress that are not dictated to from the United States support it, because we know that pressure from across the border on the part of some other international unions has been brought to bear upon the Minister of Labour and the government to avoid taking the very action which is being recommended now. If a union that has nothing to hide expresses its willingness to be placed under trusteeship, why should we hesitate to impose this on a union whose record shows clearly that it is corrupt and completely gangster dominated.

Finally, I believe that this legislation is the necessary first step, but it is not the end of the affairs about which we are now talking because there are ramifications which go much farther. This legislation can and must be a temporary matter—we agree on that—because we must straighten out a situation that cannot otherwise be controlled. But after the trusteeship is imposed I believe it is of the utmost importance that a committee of the house go thoroughly into the legislation under which unions operate in this country at the present time, to make sure that the legislation is in the best interests of those it is designed to protect, Canadian workingmen.

It is quite plain that much of the excessive power that a union has over its members arises from a right that the union is given by federal statute law, the right to impose a closed shop agreement within a bargaining unit so that only union members can obtain employment. Let us recognize that, although the right of a workingman to strike against

his employer is always to be jealously defended as one of labour's precious rights, a closed shop such as the S.I.U. has imposed is in fact an effective device to remove all power from a worker to exercise his right to strike against his own union management.

This is a very fundamental point. The worker is treated not as an intelligent citizen with the power to make his own decisions but as a commodity for sale on the labour market. This is exactly what the S.I.U. has been doing through the right it apparently assumes under our existing legislation of hiring and firing workers on the great lakes ships.

The profit from the monopoly of labour that flows from such a position has been going, not to the workers themselves but to the corrupt labour boss who stands as a broker between the workingman and the employer who wants to make use of his services, charging each side the maximum that the market will bear for his own selfish interests. Such a monopoly is even able to force a company like The Canada Steamship Lines into dishonesty, by consent, which results in the perpetuation and expansion of the very thing against which the working people of Canada should have protection.

We, the parliament of Canada, have established the laws that permit such a situation. I suggest respectfully to the government that the next step they must take in this matter, when the trusteeship has been set up, is to refer the Canada Shipping Act and other federal legislation involving the rights and privileges of labour to the appropriate committee of the house so that the effective working of this legislation, in the light of the interests of Canadian citizens, can be thoroughly reviewed, particularly in the light of the events which have developed during the last couple of years.

I am also extremely concerned about one recommendation made by Mr. Justice Norris in his report, which appears to be that the trusteeship should be imposed for the purpose of integrating the unions on which the trusteeship is imposed. I should like to question whether the government considers it a legitimate fact that a government trusteeship should be used to influence the actual union organization that exists in this area. I do not think it is. I would suggest that this part of the Norris report be questioned very seriously because I am convinced this is an interference with the individual rights of the workingman.

A trade union is not an organization that should be started, directed or controlled by government, except in the case of most flagrant abuse, an example of which we now have in the case of the S.I.U. Both the government and members of the opposition should be well aware by now of the blunder they made in permitting Hal Banks to take charge of the Canadian waterfront. Directed labour and directed labour organizations, belong in Soviet Russia or communist China, not in a free country such as Canada.

The purpose of this legislation, then, is quite simply to ensure respect for Canadian law and to protect Canadian seamen from the abuses to which their union has subjected them. It is no more than that. It will only be making a bad situation worse if the trustees, themselves, begin to make organizational decisions which interfere with the free run of an association of Canadian citizens and union members.

These are the basic reasons, Mr. Chairman, for our support of this legislation. At the same time, we caution the government that their responsibility under this legislation is twofold. First of all, it is to protect the rights of our Canadian workingmen from a union which has become corrupt, which is oppressing them. The other responsibility is to maintain justice, which it is our responsibility to maintain for every Canadian citizen. Beyond that we must not interfere with individual rights which belong to each of us, whether or not we choose to belong to a union of workingmen.

When the legislation is introduced, I am confident that all of us in this house will face up to these responsibilities, and will not think in terms of five years, although five years may be necessary to make a blanket coverage for any eventuality that may occur. However, I am sure we will quickly once again permit normal operations to continue in the great lakes shipping area and on the St. Lawrence, and at the same time protect the Canadian workingman who works as a seaman on the various shipping lines operating in this area.

Mr. Douglas: Mr. Chairman, as one who has had a long association with trade unions, the idea of a public trusteeship is very naturally repugnant to me. But I propose to support this legislation because I deem it to be an extraordinary measure to meet an extraordinary situation. The question which the parliament of Canada faces is not whether we want a public trusteeship but rather what other alternative is there, in the light of the appalling situation which obtains in the maritime shipping industry of Canada?

In order to see the situation which does obtain, may I just briefly review a few of the facts. Hal C. Banks was brought to Canada in 1949 with the co-operation of the government, the trades and labour congress of Canada and the shipping companies on the great lakes in order to displace the Canadian

seamen's union which, it was claimed, was a communist dominated union. In 1952 Banks applied for status as a landed immigrant. His application was rejected by the department of immigration on the grounds he had a criminal record in the United States. He appealed this decision to the minister of immigration, and in June, 1954, an order in council was passed giving him the status of a landed immigrant. In 1958 he applied for full citizenship. This application was rejected by Mr. Justice Lafontaine.

Banks and the S.I.U. were not long in operation until it became apparent that Banks was building a hoodlum empire based on intimidation, extortion and lawlessness. First, he destroyed democratic control of the S.I.U. Second, he conspired with some of the shipping companies to illegally break the existing collective bargaining agreements which those companies had with properly certified trade unions. Third, Banks and the S.I.U. used lawless tactics in an attempt to destroy other unions in order to extend the membership of the S.I.U. I think a reading of the Norris report makes it quite clear that the blame for this intolerable situation falls on three separate groups.

It falls, first of all, of course on the S.I.U. and its president who instituted a reign of terror on the waterfront. There were the "do not ship" lists and the hiring halls by which Banks had control of whether or not any man would be able to get a job, and how long he would keep it. There was the control of the pension fund, which he mismanaged as the record will show. There was the fact that, with the consent of the Canadian government and the companies, the men's vacation pay was turned over to the S.I.U. and not to the men. I think the record shows that some $300,000 of that has never been distributed to the seamen. This gave him control of the union so that democracy was steadily destroyed. First, the blame lies with Banks and his organization.

The second share of blame lies with the shipping companies, at least the majority of them, and particularly Canada Steamship Lines who were in collusion with Banks and who, by working with Banks, sought to gain competitive advantage over the other shipping companies. I should say that credit should be given to the Upper Lakes Shipping Company and to its president Mr. Jack Leitch who, according to the Norris report, stood up almost alone against the depredations of Banks and the union. As a matter of fact, I probably should just document that by referring to page 41 of the report where the commissioner says:

> The Canada Steamship Lines and its affiliates, with their diverse interests and integrated operation in many fields tributary to the business of lake transport, found it easy to make accommodations with Hal C. Banks and his union—the S.I.U. of Canada—and did not suffer from union action. Other lake shipping companies, if they wished to survive, had to fall in line and accept the terms arranged between C.S.L. and Banks regardless of their own situation. The resulting tendency was to deprive the public of the benefit of real competition in the lake transport field and to strengthen the individual power of the president of the S.I.U. of Canada.
>
> With the weapon of monopoly in his hands, Banks endeavoured to impose discriminatory terms on Upper Lakes Shipping Limited which alone stood out against him and this company was forced to turn to the C.B.R.T. and the C.M.U. to man its ships.

The record, I think, is clear. Canada Steamship Lines was every bit as guilty as Banks for the exploitation of workers and for the undemocratic conditions under which they worked. I shall have something to say about the companies later on.

The third share of blame certainly falls squarely on the Department of Labour. They were made aware of this situation, as is shown on pages 54 and 55 of Mr. Justice Norris' report, which I will not bother to read into the record unless someone wants to question it. It is apparent that a letter was sent on April 10, 1959, to Mr. Bernard Wilson, chief industrial relations officer, Department of Labour by Scott Misener Steamships Limited, pointing out that this company had a working agreement with a certified union, certified by the Canada labour relations board, and the company was breaking that agreement to enter into an agreement with Banks.

The Scott Misener company even had the audacity to enclose a copy of a letter from Banks guaranteeing them indemnification from any loss they might sustain as a result of having broken the law. As I say, this happened in 1959, and it is difficult to understand how a situation like this could have been left to fester without any action being taken by the Department of Labour at that time. Therefore I say the blame for the situation on the great lakes can be apportioned equally to the S.I.U., to the shipping companies who entered into these dubious arrangements with Banks, and to the failure on the part of the Department of Labour to act.

The situation got so bad that on May 23, 1962, the president of the Canadian Labour Congress, Mr. Jodoin, wrote to the Prime Minister. His letter will be found on page 404 of the schedules printed by the Norris commission. I will not take time to read the letter, but the president of the Canadian Labour Congress listed all the grievances, documented and dated the beatings, the violence, the lawlessness and intimidation that had gone on under the reign of terror initiated by Banks and the S.I.U.

No action apparently was forthcoming, and on July 6, 1962, the Canadian Labour Congress and the C.B.R.T. closed the St. Lawrence seaway in order to enforce the appointment of a commission to inquire into the situation, and Mr. Justice Norris was appointed by order in council on July 18, 1962.

At this stage I want to point out that the Canadian Labour Congress had itself expelled Banks back in 1959. Therefore there is no doubt about where the C.L.C. has stood throughout this entire period, beginning with its expulsions of the S.I.U. up until its demand for an investigation in 1962.

I quote now from the submission which the Canadian Labour Congress made to the Norris commission on March 13, 1963. I quote only three short statements and I put them on record because I want to make it abundantly clear that the one voice which has been raised most consistently against the evil doings of Mr. Banks has been that of the Canadian Labour Congress. On page 5 of their submission they say this:

> The seafarers' international union of Canada on the record—on the abundant and incontroverted evidence before this commission—is not a free association of workers. It is a captive legion of dragooned and helpless individuals. It is a racket; it is not a union. Like the constitution of the U.S.S.R., the constitution of the seafarers' international union of Canada makes profuse reference to the principles of democracy and contains elaborate provisions designed to put the principles into effect. In both cases, behind the facade of the documents, there is the reality of totalitarian rule.

On page 33 of their submission they say this:

> We have stated that the S.I.U. is not a part of the Canadian labour movement—it is a growth upon it. Equally, we submit that the S.I.U. is not a part of Canadian society—it is a growth upon it. We submit that your lordship should be prepared to recommend whatever social surgery is necessary to relieve both the trade union movement and society from this growth. There is no place in our social structure for a hoodlum empire which works hand in glove with certain shipping companies to the advantage of both, and to the disadvantage of the workers and the general public.

Then there is another short quotation from page 35 of the C.L.C. submission:

> In formulating your report to the Minister of Labour, we ask Your Lordship to find and to advise the Minister of Labour that the S.I.U. is not a bona fide trade union and to recommend that such steps should be taken, as you may consider advisable, to ensure that legal and practical efficacy will be given to such a conclusion. We will not presume to submit to Your Lordship the precise steps which should be taken in the attainment of this end.

The result of the investigation was, of course, the Norris report, which has been in the hands of hon. members for some weeks. It shows several things. It shows first of all that the S.I.U. is not a legitimate, democratic trade union. It fully vindicates the demands of the Canadian Labour Congress for an investigation, and it fully corroborates the statements which I quoted that were contained in the brief of the Canadian Labour Congress.

I shall quote just two brief passages from the Norris report. On page 296 Mr. Justice Norris says the real issue—

—is not an effort to right any wrong nor to assist seamen, but is part of an irresponsible campaign to maintain one rapacious and violent man, Banks, in power as a dictator.

He goes on to say:

> Banks obtained his absolute control in his union through the misuse of union funds, the hiring halls, the D.N.S. and R.O.C. cards, and the welfare plan. This has been fully established. He and his union operated the vacation pay plan unlawfully and contrary to the directions of the minister of labour. The maritime appeal board set up by Banks is not useful for the purpose that it is alleged to serve.
>
> Under Banks' control, the seafarers' international union of Canada becomes less and less a trade union and more and more of a mere hiring agency, operated by Banks through fees extracted from the wages of the crew members supplied through the hall.

He goes on to say at page 299, and I shall not bother the committee by reading it in detail, that there will never be peace on the great lakes and there will never be established a democratic, free trade union movement on the great lakes until Banks is removed.

I also want to point out that Mr. Justice Norris gives a clear bill of health to the other unions operating on the great lakes and in the ports. He says that—

—the Canadian unions, by establishing the C.M.U. have done a service to the country in bringing out into the open the lawlessness of Banks.

He says further:

> This is not a private quarrel between Upper Lakes and the Canadian Labour Congress on the one hand and the S.I.U. on the other, but that it is a matter of grave public concern that there should be an attempt to force on Canada the rule of lawlessness in labour matters which exist in the Teamsters' and I.L.A. organizations in the United States and which is apparent in the combinations now operating against Canadian vessels in United States ports.

He goes on to say on page 302, referring to the boycott by the C.B.R.T. in 1962 to enforce an investigation:

> The actual boycott of the seaway by the C.B.R.T., while it may be understood, cannot be condoned as it was in breach of the collective agreement. The C.L.C. and the C.B.R.T. are, however, to be commended for taking action to set up another union in order that there might be an end to the oppression and control by Banks.

He goes on to say at page 303:

> The other labour organizations acting on behalf of employees engaged in work affecting shipping operations in the great lakes are operated democratically and their funds are protected. Their welfare plans are established on sound bases.

Having laid the blame squarely, first of all, on the S.I.U. and having given to the other trade unions a clean bill of health, Mr. Justice Norris recommended a public trusteeship which would have three functions: first to administer existing collective agreements with such amendments as are approved by the Canada labour relations board; second, to supervise the renegotiation of subsequent collective agreements by negotiating committees democratically elected by members of the unions; and third, to take steps to bring about an assurance of democracy in the unions.

Nobody who is interested in a free trade union movement likes the idea of a public trusteeship if it can be avoided. We prefer to have a free association of workers acting together through their democratically elected officers. But the S.I.U. has lost all semblance of democracy and its members have no control whatsoever over policy. A private trusteeship would of course be preferred, but the Canadian Labour Congress, who have been looking into this matter and seeking to find some such solution, issued a statement last night the last paragraph of which reads:

> Our position with regard to an imposed trusteeship remains today as it was when we expressed objection to the original proposal advanced by Mr. Justice T. G. Norris. We have now reached a point where no alternative appears available. Responsibility for this rests squarely on those who have continually refused to support a reasonable and effective plan of voluntary control.

We therefore come reluctantly to the conclusion that no settlement is possible on the great lakes other than through legislative action. There is no alternative that would not leave Canadian seamen helpless captives of an industry-wide company union run by racketeers. Naturally public trusteeship is unpalatable, but it is less unpalatable than lawlessness, extortion and intimidation. And we have the fact that the other unions on the great lakes, those who have been declared by Mr. Justice Norris to be clean, democratic, legitimate unions, have indicated their willingness to come voluntarily under a public trusteeship.

There are some advantages in a public trusteeship over a private trusteeship even though the latter would have been preferable if it had been possible. First, under a private trusteeship you always have the danger that the S.I.U. could regroup under another name and continue to terrorize workers on the waterfront. By setting up a public trusteeship you prevent this possibility. The other advantage of a public trusteeship is that it will be able to deal with the boycotting and sabotaging of Canadian ships in United States ports. It is difficult to see how a private trusteeship could deal with this situation, unless you had the co-operation of the United States government and the United States labour movement. The third advantage is that a public trusteeship will permit the adoption of policies which will apply not only to the unions but also to the shipping companies, some of whom must accept a very large share of the blame for the present situation. As a matter of fact, when we get into the legislation we in this group will want to know why the companies are not being brought under trusteeship.

The situation which we have on the waterfront today could not have deteriorated to its present state without the collusion and the connivance of companies like Canada Steamship Lines. Why we should be crying on the one hand for the removal of Mr. Banks but on the other hand leaving the officers of Canada Steamship Lines alone seems to me to be putting all the blame on one party and overlooking another party which is equally guilty. One of the advantages of a public trusteeship is that it will ensure that the companies will not flout the law in Canada as they did when they were dealing with the S.I.U. and breaking their collective bargaining agreements with democratic, bona fide trade unions. As I see it, the task of the public trusteeship when it is established will be:

(1) To get rid of Banks and his high priced goons who masquerade as trade union officials.

(2) To police existing agreements and if necessary negotiate new ones with the co-operation of the union membership.

(3) To amend the constitution and bylaws of unions to bring them into line with democratic trade union practice.

(4) To introduce democratic procedures for the election of new officers and to restore control of the union to its membership.

May I say here to the Minister of Labour that if this fourth objective of the trusteeship is to be realized there will have to be some person on that board of trustees who has a first hand knowledge of the trade union movement but one, of course, who is not involved in this dispute. I hope the minister, when the bill is being discussed, will give us some idea as to the kinds of persons he intends to appoint to this board. I think they will have to be selected with great care. This is not just a matter of appointing chartered accountants or business executives. If one of the functions of this board of trustees is to restore democracy in the unions on the great lakes, it cannot be done in an office. There will have to be someone on the board of trustees who can go down amongst the men,

talk to them and help them recover the control of their trade union. I hope some outstanding trade unionist will be appointed to this board.

I believe that if it is properly administered this trusteeship can be a victory for democratic trade unionism. But I point out first that the trustees will need the wholehearted support of the government and of this parliament. I want to point out, second, that we in this group shall insist that this legislation not be considered a precedent, but that it is extraordinary legislation to deal with a particularly odious situation. Third, we shall insist that this legislation be for a specific period of time. I was glad to hear the minister say he agreed with the idea of a specific period of time, though when he mentioned five years I was appalled. This parliament is going to turn over the union affairs of five unions to a board of trustees and give them complete control of the management of those unions, the drafting of their constitution, the negotiating of their collective bargaining agreements, the operation of their welfare plan, the election of their officers. To give them this authority for five years without there being any review in this period seems to me to be totally unwarranted. I think this should be for a very limited period of time. At the very most I think it should be until December 31, 1965. If at the end of that time the board of trustees can convince the Minister of Labour that their work is not finished and that they need an extension of time, the Minister of Labour can come into this house and ask for an extension. If his arguments persuade the members of parliament that an extension of time is warranted, I have no doubt that it will be granted. I for one will take very strong exception to giving the board of trustees a five year period of almost complete domination and dictatorship over the affairs of these maritime trade unions. I hope that before the legislation is brought down the minister will give serious thought to a much more limited and shorter period of time. I believe the people of Canada and most trade unions will support this legislation if it is recognized that it is not a precedent and that it is a temporary measure for a limited period of time, with the understanding that the board must come back to parliament for a renewal of its responsibilities.

I should also like to say that we need not think that passing this legislation will solve all the problems. A reading of the Norris report concerning the serious situation which has developed over the years on the great lakes indicates that our federal labour legislation is badly in need of an overhaul. A lot of it is completely antiquated. Otherwise this situation would never have come about, the federal Department of Labour and the Canada labour relations board should have intervened long ago. It should not have required a strike by the C.B.R.T. to tie up the St. Lawrence seaway and force the government to look into something it had known about for three years; at least, its officials had known about it for three years. Something is wrong with the basic machinery of our labour administration and legislation, and I hope the minister will set himself the task of bringing it up to date and submitting legislation to the house for that purpose.

In supporting this legislation, Mr. Chairman, I want to say that one of the reasons I am glad to support it is because it will make possible the settlement of an important labour dispute in Canada by Canadians, with the control vested in Canadians. As a Canadian I resented the intervention of U.S. labour secretary Willard Wirtz. It seemed to me that it was none of his business to express opinions against a public trusteeship, and certainly none of his business to try to exercise influence through the United States labour trade union movement on the Canadian labour trade union movement and on the Canadian public. As a matter of fact, if secretary Wirtz has spare time on his hands, one of the things he might do is to see that Canadian shipping in U.S. ports is free from harassment and sabotage. One of the reasons why, in my opinion, we have no choice but to agree to this public trusteeship is because this is a clear struggle to decide whether or not labour matters affecting Canadian workmen are going to be settled in Canada under the jurisdiction of the parliament of Canada. For that reason, Mr. Chairman, and because we think that this is the only alternative there is to clean up a situation which has been neglected far too long, I am prepared to support this legislation, with the restrictions and modifications which I have already outlined.

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

Mr. Pickersgill: I think we should proceed, Mr. Chairman, with all the time and dispatch there is. Perhaps the hon. gentleman would not mind allowing us to pass the resolution, and he can speak on the bill?

Mr. Peters: I also should like to say something, Mr. Chairman.

Mr. Orlikow: As far as I am concerned I have no objection, but a number of members in our group have signified their intention of speaking on this matter. I know that

the house leader is interested in speed, but I suggest that if this legislation had been brought forward sooner it would have been passed long ago.

The labour movement of Canada, Mr. Chairman, has almost from its inception faced opposition from all sides. It has faced determined and violent opposition on the part of management on many occasions. It has been harassed by laws and by governments. Labour leaders through the years have gone to prison on more than one occasion because they fought to improve the conditions of the workers they represent. The labour movement has reached a final impasse in Canada with regard to working for the improvement of working conditions of the people they represent and helping to educate the public with reference to the need for the improvement of social legislation. We in this group realize why labour people have expressed themselves as doubtful about the imposition of a government trusteeship and about interference on the part of any government with the internal affairs of trade unions. It is with a good deal of doubt that we face this question of the great lakes shipping problem and the unions involved. It is with a good deal of soul-searching that we have come to the conclusion that we will have to support the recommendation of Justice Norris that a public trusteeship be imposed on the shipping unions on the great lakes. In taking this action and in proposing the resolution today, we feel that the minister has really moved in to control only one evil; he has moved in to control the evil brought to this country by the head of the S.I.U., Mr. Banks.

But, Mr. Chairman, we also find it strange that having done this the minister had little, in fact nothing, to say about the fact that Mr. Justice Norris indicated in his report that Mr. Banks could not have done the things he did except for the fact that he had the active co-operation of the steamship companies. Indeed, I do not think it would be too strong a term to say that he had their collusion, particularly so far as the largest company in the field, Canada Steamship Lines, is concerned. I want to say both for myself and other members of this group that I find it strange that there is no proposal by the minister that the government will take the same stern, drastic action with Canada Steamship Lines which it is proposing to take with the unions in the lakes shipping industry. We think this step is necessary, Mr. Chairman. We think it is long overdue and that the government should have acted before on the matter. We are going to support this legislation, but I suggest that it should be strengthened; and I will point out in what way the government should move before the legislation is passed.

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

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, may I ask the house leader if we may assume that progress will be made tomorrow with this particular debate?

Mr. Pickersgill: Once we reach the orders of the day tomorrow—and one can only pray that that may be soon—we shall proceed with the committee stage of this resolution and I hope the discussion will be concluded fairly early in the afternoon. Then we would take the two bills about the territories in connection with which, as hon. members know, there is also a certain urgency, and the vocational training resolution. During this time, if we should conclude the resolution stage reasonably early and the bill could be distributed, hon. members would have had the opportunity to peruse it and, if there were a disposition, say, at eight o'clock, to go on with the second reading of the bill—the government realizes it is completely in the hands of the house—we should be very glad to get on with what I feel is an urgent matter and one which, having been started, should be pursued with dispatch.

If not, I will reserve the right, when the other business has been completed, either to call any other government business or to call supply.

Mr. Churchill: It is very convenient for the house, should the resolution have been completed and the bill distributed, to have a short interval, at least, in which to study the measure before proceeding further. That would suit us.

Mr. Pickersgill: I certainly think there should be at least a couple of hours during which hon. members would have the opportunity of looking at the bill before it is proceeded with. We certainly do not think that a bill of the extraordinary character of this one should be rushed through without receiving the most careful consideration. However, debate on second reading is a debate on the principle, and the bill would still have to go before a committee of the house where every clause would be scrutinized.

Mr. Douglas: We are anxious to expedite the passage of this bill, but we think it is of such far reaching importance that we would not

care to telescope any of the stages. In short, we wish to study it carefully and if we could have copies of the bill early it would help.

Mr. Pickersgill: I will make every effort to see that, once the resolution stage is completed and the measure has been given first reading, copies will be distributed to hon. members as early as possible. In view of the statement just made by the hon. member for Burnaby-Coquitlam I think I can say that if we finish the resolution stage tomorrow we would, unless some extraordinary circumstance forced us to change our plans, go ahead with the second reading as the first item of business on Friday.

It being five minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Thursday, October 10, 1963

The house met at 2.30 p.m.

EXTERNAL AFFAIRS

CARIBBEAN—ANNOUNCEMENT OF PROVISION OF RELIEF SUPPLIES

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, it was decided today that the Canadian government would make available to the Canadian Red Cross Society an amount of $20,000 for the provision of Canadian relief supplies to the peoples in the Caribbean area suffering from the destructive effects of hurricane Flora. Five thousand dollars of this amount has been earmarked for Tobago, and the remainder would be available for possible use in other areas affected in the Caribbean such as Jamaica, Haiti and Cuba, where the Red Cross considers the most effective use of this contribution can be made.

[*Later:*]

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I want to direct my question to the Minister of Agriculture. In view of the statement made by the Acting Prime Minister regarding assistance to countries that have suffered from the hurricane in the Caribbean, is consideration being given to sending some of our surplus butter, powdered milk and other surplus food products to the assistance of these countries?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, as a matter of fact I agree with the hon. member that we should send them some butter but unfortunately most of these countries do not have refrigeration to take care of it. Under these circumstances we have to send them something which will keep in the hot weather.

Mr. Gregoire: As a supplementary question, can the minister not send the butter and the refrigerators too?

[*Later:*]

Mr. T. C. Douglas (Burnaby-Coquitlam): At the opening of our business, the Minister of Justice in his capacity as Acting Prime Minister announced, if I heard him correctly, that some $20,000 would be given by way of assistance to the Caribbean area to relieve the distress caused there by the recent hurricane. I believe the hon. gentleman announced also that $5,000 of this amount would go to Tobago, which would leave $5,000 for Haiti, $5,000 for Cuba and $5,000 for Jamaica. May I ask the minister if he considers this an accurate reflection of the generosity of the Canadian people?

Hon. Lionel Chevrier (Minister of Justice): I am sure the hon. member understands that when decisions of this nature are made they are weighed by officials of the Department of External Affairs in consultation with the Canadian Red Cross. This is what was done on this occasion, and this is how the amount was arrived at.

LABOUR RELATIONS

LONGSHOREMEN'S STRIKE—REQUEST FOR STATEMENT ON PRESENT POSITION

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 Labour and ask him how the processes of mediation are operating in connection with the longshoremen's strike, and whether those processes give an indication of having arrived at the point of exhaustion. I also ask whether, under all the circumstances, the words of the Prime Minister in Toronto today would indicate that the government intends to act effectively now so as to assure that Canadian national interests shall no longer be permitted to deteriorate.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I would like to advise the right hon. gentleman that Judge Lippe had further discussions this morning. He is holding discussions as of this moment with both parties, and has indicated he is not yet satisfied that a settlement is impossible, and that he is continuing his activities.

There is no one more concerned than I about this particular dispute and its ramifications, but I do believe that having given this responsibility at this stage to Judge Lippe we ought to give him our confidence and support until he has exhausted all the mediation processes. That is all I would like to say at the moment.

Mr. Diefenbaker: Mr. Speaker, I would like to ask the minister what has been done, if anything, to allow the passengers aboard the *Empress of Canada* to land. I understand that the representatives of the Canadian

Weekly Newspapers Association are most desirous of getting home, and that yesterday they endeavoured to get off but have had to stay on the ship, at least until an hour or so ago. Has the minister any hope of the freedom from ransom of these newspapermen?

Mr. MacEachen: Mr. Speaker, the task of the Department of Labour is to lend all assistance to the settlement of this dispute, of which this particular matter is a manifestation. With respect to any legal activities I think the right hon. gentleman should direct his question to the Minister of Justice.

Mr. Diefenbaker: The question is so directed.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, the subject matter which the right hon. Leader of the Opposition has just brought up is one which has been engaging the attention of the government since it was first brought to our notice, and the position is that an interim injunction is being sought by the national harbours board which was to have been heard at 2.30 o'clock this afternoon. I have not received any information as to the disposition of it, and until I have I am not able to inform the house.

Mr. Diefenbaker: Mr. Speaker, would the minister say what is the nature of the injunction?

Mr. Chevrier: I understand the injunction is to restrict and restrain members of the I.L.A. from entering national harbours board property, so as to permit the disembarking of passengers from the *Empress of Canada.*

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I have a supplementary question I would like to ask the Minister of Labour. In view of the fact that the requests of the longshoremen seem to be fair and reasonable, is there any indication that the companies are dragging their feet in the hope that compulsory arbitration will be imposed; and may I ask the minister whether he has given any thought to bringing the two parties together personally, with a view to seeing whether this problem can be resolved?

Mr. MacEachen: Mr. Speaker, I think it would be improper, much as I would like to accommodate my hon. friend, to attempt to describe the bargaining positions taken by the various parties with respect to the current mediation efforts. For that reason I cannot possibly attempt to describe what either party has attempted in the way of concessions at this stage. I have said that the government has assigned a very important responsibility to Judge Lippe, who is discharging that responsibility, I think, with a great deal of courage, skill and patience at the present time.

It is our objective to support him until his efforts are concluded. That is the time when other matters that are under consideration might be decided upon. But I assure the hon. gentleman that the government is aware of the very serious aspects of this problem and has them under consideration, but no decision has been made with respect to further steps.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I would like to ask a supplementary question of the Minister of Labour. Could he tell the house whether the meeting of Judge Lippe with the two parties this afternoon will be the last one before the government or the minister himself steps forward and takes over the mediation between the two parties?

Mr. MacEachen: Mr. Speaker, the assumption behind that question is that Judge Lippe is going to fail.

Some hon. Members: Hear, hear.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I have a supplementary question. Because of reports which have come to my attention this morning I would ask the Minister of Labour, is it true that in the event of continued failure to settle the longshoremen's strike the government is contemplating making use of Canadian armed forces to load and unload shipping, in order to maintain essential shipping services?

Mr. MacEachen: I have no comment to make on that question, Mr. Speaker, which has within itself, it seems to me, the kind of possibility that will not assist in the settlement of this problem.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): May I direct a question to the Minister of Labour. In answer to a question I asked him the minister announced yesterday that the Canadian Pacific had filed an official protest because of the fact that the *Empress of Canada* was unable to anchor at Quebec city. Has the company asked the government to pay for the additional expenses thus incurred? Would the government agree to do so?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, since the Minister of Labour (Mr. MacEachen) is not here, may I point out that this question, and the second part in particular, does not seem to be urgent as it refers to future damages. I would suggest that it be put on the order paper.

[*Text*]

[*Later:*]

Mr. George Muir (Lisgar): Mr. Speaker, I wish to direct a question of the Minister of Agriculture. How long does the minister and his colleagues intend to allow the intolerable situation created by the longshoremen's strike to continue before taking positive action to protect the interests of the western farmers, and indeed of the whole Canadian economy?

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, I have every confidence in the Minister of Labour that this will be resolved as soon as possible.

[*Later:*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I welcome the Prime Minister back to the house after his sojourn in Toronto and would ask him a question with regard to the words he used today in his Canadian club speech in Toronto:

—that if the national interest is seriously and demonstrably damaged, if serious national consequences are flowing from a strike, and if all reasonable efforts at mediation are exhausted, then government must intervene to stop the strike—

Did he have reference to the longshoremen's strike when he made that statement?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, that certainly was in my mind when I made that statement. But perhaps I had better put the full statement on the record, seeing that the right hon. gentleman has quoted part of the paragraph. I was talking about Canada's national purpose, and I quote from the text:

A strong Canadian national purpose rejects, I believe, the idea that the government should forcibly intervene in a labour dispute which has become a lawful strike after the required processes of collective bargaining have been exhausted; intervene, that is, in order to force men back to work.

But a strong national purpose means that if the national interest is seriously and demonstrably damaged, if serious national consequences are flowing from a strike, and if all reasonable efforts at mediation are exhausted, then the government must intervene to stop the strike.

I went on:

But the intervention should be of a character to get people back to work, and legislative measures for intervention do not always have that result. The intervention should also be of a kind to ensure that there is no prejudice to the interests of either the employee or the employer in a subsequent fair settlement.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I would point out, Mr. Speaker, that additional words have been included by the Prime Minister over and above those that appear in the release he gave to the press. However, making due allowance for that, would the Prime Minister say now, with regard to the various qualifications necessary to impel this indolent government to act, which of these qualifications are now regarded by the government as being in existence? Is there serious and demonstrable damage to the national interest? Are serious national consequences flowing from a strike? Does he think those elements have been established?

Mr. Pearson: Mr. Speaker, the right hon. gentleman characterizing this government as indolent in this matter is being as inaccurate as if I characterized his question as being entirely irresponsible.

Some hon. Members: Arrogance.

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, in view of the Prime Minister's statement today that the strike cannot go on indefinitely, will the Prime Minister state when he will take action to put an end to the strike if necessary.

Mr. Pearson: The government will not step in until all the resources of mediation are exhausted. I am sure my hon. friend would agree with that procedure.

Mr. Martineau: What did he mean by his statement that the strike would not go on indefinitely?

NORRIS COMMISSION—REPORT OF SPECIAL COUNSEL

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I wish to direct a question to the Minister of Justice and ask him whether he has yet received a decision on the report made by the special counsel who were appointed to look into the Norris commission report to see whether any charges could be laid.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I have the preliminary report. As I have indicated once before, that preliminary report is under discussion between the officers of the criminal section of the Department of Justice and the two counsel. As yet I have received no final decision.

OAKVILLE, ONT.—STRIKE AT FORD PLANT

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I wish to direct a question to the Minister of Labour. Have representations been made to him about the wildcat strike in Oakville, Ontario at the plant of the Ford Company of Canada? Has the minister any statement to make in this regard?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): I wonder whether the hon. gentleman would mind repeating his question?

[*Translation*]

Mr. Belanger: Mr. Speaker, I was asking the minister whether he had received representations about the strike involving employees of the Ford company, in Oakville, Ontario, and whether he could make a statement.

[*Text*]

Mr. MacEachen: Mr. Speaker, I hope that is really under provincial jurisdiction.

WHITE PASS AND YUKON RAILROAD—EFFORTS TO SETTLE STRIKE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I want to direct a question to the Minister of Labour, but before doing so I want to speak on a question of privilege. I tried yesterday for 45 minutes to ask a question on a rather urgent matter, and I have been trying today for 50 minutes to do the same thing. Perhaps it has not been intentional on Your Honour's part, but hon. members all around me have been recognized. In so far as the numerical distribution in this house is concerned, three or four members from the small opposition parties to our left have been recognized.

Some hon. Members: Oh, oh.

An hon. Member: You shouldn't stand sideways.

Mr. Nielsen: This is quite out of all proportion with the representation in this house. I am sure Your Honour has seen me, because you have recognized the hon. member who sits to my right, the hon. member who sits to my left, the hon. member who sits in front of me and the hon. member who sits behind me. I do not know whether there is any purpose in refusing to recognize me, but I have stood on every single occasion after an answer has been given by the government.

The question I have to ask concerns a reply given to me by the Minister of Labour on October 8 last, when I directed a question to him concerning the strike of the shop and craft employees of the White Pass and Yukon route and referred to the very serious consequences that strike was having on the economy of the Yukon and the northwest generally.

The Minister of Labour told me he would be giving me a report on October 9, which was yesterday, and I am wondering whether he has yet anything to report on this matter.

Hon. A. J. MacEachen (Minister of Labour): The labour situation in question is not exactly a strike. I understand the railroad laid off its employees in anticipation of possible action by the employees themselves. I understand that the Alaska mediator is ready to assist the parties to solve this difficulty.

Mr. Nielsen: My question to the minister was: has he or any official of his department offered any assistance to those concerned with this labour problem which is affecting the economy of this area of Canada, in the hope that some solution may be found?

Mr. MacEachen: I am sure the Department of Labour intends to discharge its responsibilities in this situation as it is doing in others, but in this instance the responsibility lies primarily with the Alaska mediator. If there is anything we can do we shall be glad to do it.

Mr. Nielsen: Here is a Canadian-based railroad which is being tied up by labour problems in the United States. Surely, the Minister of Labour could offer the facilities of his department in an effort to put this railroad back into operation so that the economy of the area would be revived.

NATIONAL DEFENCE

VAL D'OR, QUE.—POSSIBLE ESTABLISHMENT OF NUCLEAR BASE

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I wanted to direct a question to the Minister of National Defence, but in his absence I shall ask the Acting Prime Minister to give me an answer.

When I put a question last week concerning the new nuclear bases, the Minister of National Defence replied that under the Canada-U.S. agreement, no new nuclear base would be established in Canada.

I would like to know if there is any truth in the rumour that a new nuclear base would be established at Val d'Or, in the riding of Villeneuve?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I have nothing to add to the statement made last week or early this week by the Minister of National Defence, in reply to the question put by the hon. member. Since the minister concerned is absent today, may I suggest to the hon. member for Villeneuve that he ask his question again when the minister returns.

[*Text*]

TRADE

WHEAT—U.S. REACTION TO CANADIAN SALES

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I would like to address a question to the Minister of Trade and Commerce. In view of the understanding between the Canadian and American governments and the fact that information regarding wheat sales by both countries is exchanged on a confidential basis, has the minister made a protest officially or unofficially to the United States government about the disclosure of this confidential information to the United States press and the consequential harm to the interests of western farmers and Canadian-United States relationships in general?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, as far as I am concerned the answer to the specific question asked by the hon. member for Qu'Appelle is no, we have not yet made any protest. I do not think at this particular time any such protest would be helpful. However, he may be assured that we are not very happy about the disclosure of confidential information provided to the United States government, particularly about sales that the Canadian wheat board has made to Japan.

May I be permitted, Mr. Speaker, in view of the question that has been asked, to say just a word about relationships between Canada and the United States in this field?

Some hon. Members: No.

Mr. Diefenbaker: Mr. Speaker, naturally the hon. gentleman would have to ask to revert to motions so that we would have the opportunity of dealing with and dissecting the statement made.

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Trade and Commerce. A dispatch from Washington this morning quotes spokesmen of the United States department of agriculture to the effect that on August 6 Canada dropped the price of wheat 6 cents a bushel to coincide with wheat sales to China. It claims that the sale to the U.S.S.R. was at the same price, and that the sale to Japan was at 5 cents below the world price. Will the minister confirm or deny these statements, and will he tell the house whether it is true, as the press report states, that on September 20 Canada assured United States representatives that no further fixed price agreements would be entered into following the wheat deal with the U.S.S.R.?

Mr. Sharp: Mr. Speaker, there are a number of questions asked by the hon. member for Burnaby-Coquitlam, and I will see if I can answer them in order. First of all, the Canadian wheat board sells wheat from day to day at the prices that it publishes. The sale to mainland China was made at the published price of the wheat board on that day. So was the sale to the Soviet union, and so was the sale to Japan. As to the suggestion that the price on any of these occasions was below the world market price, I simply do not know what is meant by the question. The Canadian wheat board fixes its sale price from day to day and that is the price, and it sells at that price to all buyers on that day.

Mr. Douglas: A supplementary question, Mr. Speaker. What the report implies is not just that the price to China was 6 cents below the world price but that it was dropped 6 cents below what the board had previously been asking in order to coincide with the agreement. I wonder if the minister would give us some information on that claim.

Mr. Sharp: I think it is well known to all hon. members, Mr. Speaker, that when the sale was made to China the wheat board did reduce its price, and that remained its price until there was a change.

Mr. S. J. Korchinski (Mackenzie): I have a supplementary question, Mr. Speaker. Is there any justifiable reason why the Minister of Trade and Commerce cannot divulge this information to the House of Commons, in view of the fact that the Department of Trade and Commerce and the wheat board have already divulged this information to the general public?

Mr. Sharp: The wheat board never divulges information about its sales contracts.

Mr. Korchinski: Everybody knows except us.

Mr. Sharp: The information that was divulged the other day about sales to Japan was not divulged by the wheat board. No announcement was made. I agree with the hon. member for Qu'Appelle that this was a leak.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Trade and Commerce whether it is true that the United States has threatened to launch a trade war against Canada because of Canada's wheat selling practices. Also, perhaps he will clear up the matter if he could tell the house whether or not there have been any previous agreements such as the forward pricing arrangements contained in the recent wheat deal with Japan?

Mr. Sharp: As to the first question, the hon. member knows as much as I do. I have heard no suggestion that there is going to be any

trade war between Canada and the United States, and I very much doubt it. As to the second question, whether there have been any other forward sales such as those reported, the answer is yes.

Mr. W. H. Jorgenson (Provencher): I should like to direct a supplementary question to the Minister of Trade and Commerce. Can he advise the house whether the contracts signed with China and Russia contain provision for price during the duration of those contracts, or whether there would be negotiation as to quantities and prices during the period?

Mr. Sharp: I have explained those transactions on a number of occasions, but in order to refresh the memory of the hon. gentleman, when the contract was entered into by the wheat board for the sale of wheat to mainland China the agreement was for three years. At that time I announced that of the quantity, covered by the agreement, which was a substantial quantity, 500,000 tons had been the subject of a contract on which the price was fixed. In the case of the Soviet union the contract called for delivery within the present crop year and the price was fixed.

Mr. Jack McIntosh (Swift Current-Maple Creek): I, too, have a supplementary question for the Minister of Trade and Commerce. The hon. gentleman made a statement that the wheat board sold at a fixed price. May I ask him if there is more than one fixed price per day for the wheat board?

Mr. Sharp: My understanding is that the board fixes its price each day and does not vary it during the day. I do not wish to say this is invariably the practice, but it is the practice as I have known it.

Mr. Korchinski: Is there any occasion on which the Department of Trade and Commerce or the wheat board have ever entered into an agreement where there has been a fixed price arrangement for the future?

Mr. Speaker: That is a question for the order paper.

Mr. Douglas: The minister did not reply to the second part of my question. I regret that I was not able to give him notice of my intention to ask it, but the second part of my question was this. On September 20 did representatives of the Canadian government give to representatives of the United States an assurance that following the wheat agreement with the Soviet union no further fixed price agreements would be entered into by Canada?

Mr. Sharp: The answer to that question is no.

[Mr. Sharp.]

[*Later:*]

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, my question to the Minister of Trade and Commerce has been asked over and over again. However, I should like to know if the minister has taken steps to absolve the Canadian wheat board from the accusations of price fixing, and thus protect and encourage the Canadian wheat board?

Mr. Sharp: Mr. Speaker, I think all hon. members know that Canada and the United States are competitors in the wheat markets of the world. They are friendly competitors; nevertheless they are very keen competitors. Each of us is anxious to maintain our business and to get new business. Each of us, I believe, is also very anxious to see some stability in world markets. This is one of the reasons that we are both members of the international wheat agreement, whose purpose is to stabilize world wheat markets. It is under the auspices of the international wheat agreement, and otherwise, that we carry on consultations from time to time with the United States.

Hon. members will recall, for example, that when a joint committee on trade and economic affairs was established many years ago, a committee was established at that time for the very purpose of consulting with one another about wheat policies in order to stabilize the wheat markets of the world. I have no hesitation in saying that this is the purpose of the Canadian government as well as of the Canadian wheat board.

Now, there have been times when our two governments have not seen eye to eye on our respective policies.

Mr. H. F. Jones (Saskatoon): May I raise a point of order. I think a suggestion was made earlier that if this matter was going to be discussed it should be done by reverting to motions so the different parties might have an opportunity to present their views.

Mr. Speaker: I am inclined to think the explanation is a bit lengthy; nevertheless there have been a series of questions which tend toward a long answer.

Mr. Jones: I wonder if the house would give permission to revert to motions? This is a very important matter.

Some hon. Members: No.

Mr. Jones: Despite the "no's" from the Liberal side, I understand the minister has a statement prepared on this subject and would be delighted to give it. We asked him about this yesterday, and it is vital to know about the breakdown in the exchange of information between Canada and the United States. I think the minister is prepared to make a statement, and it is vital in view

of the fact a protest has been lodged by the United States government with the Canadian government.

Mr. Pickersgill: May I speak to the point of order, which is an important one. However, it does seem to me it is not very reasonable for hon. members to read long statements which purport to be questions, and then when a serious matter is raised as a question, a minister, who was not reading but simply giving an answer, is prevented by procedural difficulties from making his reply. I suggest we get on with the business of the house.

[*Later:*]

Mr. Speaker: The hon. member for Saskatoon.

Mr. Jones: In view of the lateness of the hour I will forgo my question to the Minister of Trade and Commerce with regard to the Canada-United States wheat information hassle. I shall wait until the hon. gentleman makes his statement.

Mr. Sharp: When other hon. members asked questions of that sort I thought the best way of answering them would be along those lines; that was why I made the statement I did.

BULGARIA—REQUEST THAT AGREEMENT BE IN BOTH LANGUAGES

[*Translation*]

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, my question is directed to the Minister of Trade and Commerce.

In view of the fact that Mr. Boudinov, Bulgaria's trade minister, wanted to negotiate in French for the purchase of wheat, was the agreement signed with Bulgaria written in the two official languages of Canada, that is in both French and English?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, may I say to my hon. friend that even though I am rather inadequate in the language I carried on negotiations in French with Mr. Boudinov. As to the document, this was placed before me in the customary way by the Department of External Affairs, and I assume it was acceptable to both sides.

[*Translation*]

Mr. Cote: A supplementary question, Mr. Speaker. I asked the hon. minister if the agreement itself was drawn up in French.

[*Text*]

Mr. Sharp: Mr. Speaker, these negotiations were in the hands of my officials, and so far as I know they carried them on in a language that was acceptable to both sides. I am really in no position to answer the question. The document was before me in Bulgarian and in English.

NATIONAL PARKS

PRINCE EDWARD ISLAND—APPOINTMENT OF SUPERINTENDENT

On the orders of the day:

Mr. Heath Macquarrie (Queens): I do not have a question for the Minister of Trade and Commerce. My question is addressed to the Minister of Northern Affairs and National Resources, and I regret not having been able to give him notice of it. Having learned that yet another acting superintendent has been appointed for the Prince Edward Island national park, I should like to ask the minister whether he plans to revert to the practice of his predecessor and appoint a full time year round superintendent for this park which, as the hon. gentleman's departmental statistics indicate—

Some hon. Members: Order.

Mr. Macquarrie: —has the second largest attendance figure—

Mr. Speaker: This is a question for the order paper.

LOTTERIES

NEW BRUNSWICK—DRAWING OF NAMES OF HUNTERS

On the orders of the day:

Mr. Ralph Cowan (York-Humber): I have a question which I should like to address to the Minister of Justice. Inasmuch as the Moncton *Daily Times* of Saturday last contains an eight column heading, a three column illustration and a front page box relating the 1,075 names of would-be moose hunters which were drawn by a minister of the crown from a huge barrel containing 15,459 tickets, would the hon. gentleman advise the house when the attorney general of New Brunswick granted the minister of lands and forests of New Brunswick the right to conduct this fourth annual lottery in contravention of section 179 of the Criminal Code?

Mr. Speaker: That is a question for the order paper.

EXTERNAL AFFAIRS

SUGGESTED MEETING BETWEEN PRIME MINISTER AND U.S. PRESIDENT

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I should like to ask the Acting Prime Minister a question.

Inquiries of the Ministry

In view of the reports from Washington to the effect that the present differences between Canada and the United States on our wheat sales and our putting the shipping unions under trusteeship might very well result in a crisis between the two countries, can the Acting Prime Minister tell us whether a meeting of the Prime Minister and Mr. Kennedy has been planned for the near future?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I shall be happy to bring this question to the attention of the Prime Minister. Meanwhile, I say that the government, through the Minister of Labour and other ministers interested in the question, are spending most of their time seeing to it that such a situation as the hon. member mentioned does not arise.

Mr. Martineau: A supplementary question, Mr. Speaker. Have the efforts just mentioned by the Acting Prime Minister met with success?

Mr. Chevrier: Mr. Speaker, I think that, under the present circumstances of the labour dispute, the answer is yes.

[*Text*]

ITALY—REQUEST FOR STATEMENT ON DAM COLLAPSE

On the orders of the day:

Mr. A. D. Hales (Wellington South): Mr. Speaker, my question is directed to the Prime Minister, but in his absence maybe the Acting Prime Minister would answer it or take it as notice. It arises out of a report in the *Globe and Mail* this morning regarding the collapse of the Vaiont dam in Italy. As I represent a riding with a large number of Italian-Canadian citizens, I wonder whether the minister can make a statement as to the welfare and safety of the people affected by this disaster. I am sure that many other Canadians would also be interested.

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, while the hon. member did not give me notice of his question I understand that he did refer it to the Department of External Affairs as did also, I must advise the house, the hon. member for Hamilton West. The answer is that I have, of course, seen in the newspapers the report of the collapse of the Vaiont dam yesterday and a message of sympathy is being sent by the Canadian government to the Italian prime minister. We have made inquiries from our embassy in Rome and expect to hear shortly as to the extent of the disaster and the welfare of any Canadians in the area.

[Mr. Martineau.]

ETHIOPIA—PROPOSED ESTABLISHMENT OF DIPLOMATIC RELATIONS

On the orders of the day:

[*Translation*]

Mr. Pierre-Andre Boutin (Dorchester): Mr. Speaker, my question is directed to the Acting Prime Minister.

Following the recent visit of the Emperor of Ethiopia to Canada, could the minister inform the house if diplomatic relations will be established between the two countries, to comply with a wish expressed by the emperor himself?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, I had talks with the Emperor of Ethiopia and the question of diplomatic relations between our two countries did not come up. The Prime Minister also had talks with him but I am not aware of the matters they discussed. I believe the Prime Minister would be able to answer that question and I suggest that it be put to him when he comes back.

[*Text*]

APPOINTMENT OF NEW AMBASSADOR TO FRANCE

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, my question is directed to the Prime Minister.

When does he think he will be able to inform the house of the appointment of a new Canadian ambassador to France, to replace Mr. Pierre Dupuy?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Dupuy is at this time the ambassador to France. He is on retirement. When a replacement to Mr. Dupuy is decided on, an announcement will be made.

LABOUR CONDITIONS

TORONTO—REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I should like to ask the Minister of Labour if he is now able to answer the question I asked him on Monday, namely whether the urgent representations of the board of control and mayor of the city of Toronto that the winter works program should be extended have been dealt with by him or by the government.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I apologize to the hon. member because I promised I would have an answer

for him earlier. I wanted to have a conversation about this matter with the Prime Minister, and it has not been possible to do that in the detail I should like. Just as soon as that is done I will be able to give the hon. member an answer.

CONCESSIONS TO FOREIGN COMPANIES MOVING INTO DESIGNATED AREAS

On the orders of the day:

Mr. P. V. Noble (Grey North): Mr. Speaker, I would like to ask a question of the Minister of Industry. Would a foreign owned company receive the same concessions as a Canadian owned company moving into a designated area?

Hon. C. M. Drury (Minister of Industry): The answer to that, Mr. Speaker, is yes.

Mr. Noble: A supplementary question, Mr. Speaker. Would this not be contradictory of government policy as designated in the budget?

Mr. Drury: The answer to that, Mr. Speaker, is no.

STORMS

QUEBEC—REQUEST FOR FEDERAL ASSISTANCE

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, my question is directed to the Acting Prime Minister.

A few minutes ago the minister announced that financial assistance was being given to certain areas recently devastated by a hurricane. Could the minister tell us why he was unable to do the same thing when numerous victims in Abitibi needed help last June?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, as regards the question raised by the hon. member I believe our position to be quite clear. It has been explained in this house time and again, both by the Prime Minister and myself.

When a municipality or a region finds itself in a difficult situation, it must first ask for help from the provincial authorities and, if those authorities are not able to assist those who are suffering, they refer the request to the federal authorities. I do not know of any situation where the federal government, in such circumstances, has refused to act.

[*Text*]

NORTHERN AFFAIRS

HAINES ROAD—INQUIRY AS TO MAINTENANCE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask the Minister of Northern Affairs and National Resources when the house may expect an announcement from him with respect to the study and report thereon as to the possibility of keeping the so-called Haines cut-off open on a year round basis?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, not only the Haines road is involved in the studies being made. As I indicated to the house recently, the report has not yet been received. When it is received I would hope that we could make some announcement in respect of general transportation requirements in that territory.

Mr. Howard: A supplementary question. Is the minister aware of the urgency involved in this matter because of the pending closure of the Haines road at the end of this month for the coming winter season?

Mr. Laing: I am aware that there is a deadline, which I think is October 31.

NORTHERN TRANSPORTATION COMPANY—COMPETITION WITH PRIVATE ENTERPRISE

On the orders of the day:

Mr. Gene Rheaume (Northwest Territories): My question is addressed to the Minister of Trade and Commerce and arises out of a statement he made yesterday on orders of the day to the effect that it will be government policy to allow crown corporations to engage in direct competition with private industry in shipping in the Northwest Territories. My question is this. Is the minister aware that the minister of northern affairs recently made a statement to the effect that it is government policy that the government withdraw from direct competition in the Northwest Territories?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): If I may intercede at this point, Mr. Speaker, I want to deny categorically that I made the statement which the hon. member attributes to me. I was in the Northwest Territories and so was he. I said repeatedly that I thought the future of the Northwest Territories rested in the encouragement into that area of more private capital and private enterprise. I did not make the statement that he says I made.

[*Later:*]

Mr. Terry Nugent (Edmonton-Strathcona): I have a question for the Minister of Trade and Commerce. I raised this matter yesterday and the hon. gentleman gave me a good answer. Perhaps he could give me further details as to equipment. Is the Northern Transportation Company going to be in a position to put the L.S.M. into use?

Inquiries of the Ministry

Hon. Mitchell Sharp (Minister of Trade and Commerce): The maritime commission refused Northern Transportation permission to use the L.S.M., so they have not purchased the equipment.

TRANSPORT

CONSIDERATION OF REPRESENTATIONS BY ASSOCIATION OF TRUCKERS

On the orders of the day:

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I wish to direct my question to the Minister of Transport.

Has the minister or the officials of his department replied to the statements made by the spokesman of the Trucking Association of Canada, Mr. Chapman, who accused, on October 8 last, the federal government of ignoring the trucking industry in Canada by granting increased subsidies to the railroads?

[*Text*]

Mr. Speaker: This question, I am sorry to say, is out of order.

OTTAWA-TIMMINS—REPORTED DIFFICULTY IN OBTAINING RESERVATIONS

On the orders of the day:

Mr. M. W. Martin (Timmins): Mr. Speaker, I wish to direct a question to the Minister of Transport which could possibly help him solve one of the problems presented to him a few minutes ago regarding the railway layoffs. Would he investigate the apparent complete breakdown in transportation between Ottawa and Timmins which makes it impossible for one to get a reservation, either by T.C.A. or C.N.R., even when requested two days in advance; and having investigated, would he see if something could be done to correct this deplorable situation?

Mr. Speaker: Could the question be put on the order paper?

POWER

PEACE RIVER—APPLICATION FOR CONSTRUCTION OF DAM

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, on July 2 last the Minister of Justice, in response to a question from me, said that his officials were looking into the matter of whether the work proceeding on the Peace river dam under the authority of the British Columbia government or an agency thereof was in contravention of the Navigable Waters Protection Act. Can the minister now say whether he has received an opinion from counsel on this question?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I did get a reply for my hon. friend. I had it before me in the house on a number of occasions. I am sorry I have not got it with me now but I will have it tomorrow.

PENSIONS

REQUEST FOR ACTUARIAL REPORT ON REVISED PLAN

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. Has the minister seen a copy of the October bulletin issued by William M. Mercer Limited, a private firm of consulting actuaries, in which reference is made to the report of the chief government actuary on the Canada pension plan as being comprehensive, highly competent and expert? Can she assure the house that when the revised Canada pension plan is brought before us she will obtain another actuarial report from the chief actuary?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, did the hon. member say another actuarial report?

Mr. Knowles: Will the minister obtain another report from the chief government actuary to fit the revised plan that she will bring down, in view of this reference to the expertness of the report we have already had?

Miss LaMarsh: It is already in process of preparation, Mr. Speaker.

BROADCASTING

ALLEGED REFUSAL TO FOLLOW RECOMMENDATIONS OF BOARD

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Secretary of State. Why does the government reverse all of the B.B.G.'s decisions concerning the granting of licences to radio and television stations?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I do not believe, sir, the statement is correct, but if the hon. gentleman wishes to put a question on the order paper I will endeavour to satisfy his curiosity.

CANADIAN NATIONAL RAILWAYS

REPRESENTATIONS RESPECTING MATANE-STE. ANNE DES MONTS LINE

On the orders of the day:

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Minister without Portfolio. Could the minister tell the house whether he intends to insist with the government on the construction of a branch line between Matane and Ste. Anne des Monts, as requested by the chamber of commerce of Gaspe North?

Hon. Rene Tremblay (Minister without Portfolio): Mr. Speaker, the government is considering the matter and when a decision is reached it will be announced in the house.

[*Text*]

MONCTON, N.B.—INQUIRY AS TO REPORTED LAY-OFFS

On the orders of the day:

Mr. R. Gordon L. Fairweather (Royal): Mr. Speaker, I should like to ask what action the Minister of Transport proposes to take to avoid the lay-off of Canadian National employees in the stores department at Moncton, New Brunswick, which is scheduled to occur tomorrow.

Mr. Speaker: That is a question for the order paper.

Mr. Fairweather: If I may speak to the question of order, the lay-offs will take place tomorrow. Surely that is urgent.

Hon. Lionel Chevrier (Acting Prime Minister): May I say a word on the question of order, Mr. Speaker. May I remind you that under the former government when questions of this nature were proposed it was always stated by the then Speaker that questions having to do with Canadian National Railways, particularly with reference to unemployment or employment, should be put on the order paper.

Some hon. Members: No, no.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I am sure that is not quite correct.

Mr. Chevrier: Well, I know.

Mr. Diefenbaker: The Minister of Justice, with his record with the Canadian National and in view of the expectation that he would accept the presidency, surely must think this is a matter of importance.

Mr. Chevrier: I must indicate my appreciation to the right hon. gentleman for such personal remarks; none the less the ruling which was made on those occasions was as I have stated.

Mr. Fairweather: Since the question of order has not been settled and the lay-offs are scheduled for October 11, this is now October 10, surely I am entitled to an announcement about the action the minister proposes to take.

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker. The day before yesterday the hon. member for Westmorland brought this matter to my attention and brought me certain telegrams he had received. I received also some telegrams from the local unions, so I immediately sent a telegram to the management of Canadian National Railways asking for full information on the subject. I will give an answer to the hon. member when I receive it.

ADMINISTRATION OF JUSTICE

REPORTED CANCELLATION OF LEAVE FOR R.C.M.P. AND ARMY

On the orders of the day:

Mr. D. V. Pugh (Okanagan Boundary): May I ask a question of the Acting Prime Minister. Is it true that all leave for the R.C.M.P. and the Canadian army in the provinces of Quebec and Ontario has been cancelled as of today?

Hon. Lionel Chevrier (Acting Prime Minister): If that is so I am certainly not aware of it. I spoke to the chief commissioner less than an hour ago, and I have no indication of that at all.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I have a question for the Minister of National Health and Welfare. My question arises from a newspaper report concerning a move to separate the Quebec provincial Liberal organization from the federal party.

Some hon. Members: Order.

Mr. Pickersgill: Order.

Mr. Aiken: I want to ask the minister seriously whether this is one of the reasons for her hesitancy in forecasting the future of the Canada pension plan?

Mr. Speaker: This question is obviously out of order.

Inquiries of the Ministry

BUSINESS OF THE HOUSE

INQUIRY AS TO COMMITTEE ON PROCEDURE

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Secretary of State. In view of the problems we have had in the last parliament and again during this session, does the minister anticipate setting up the committee on rules and procedures in the immediate future?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, the Prime Minister has indicated, and I think I have also indicated to the house on several occasions, that the government would like very much to get this committee set up if it could be done with reasonable expedition without interfering with other more urgent business. But, sir, I question whether there is much point in considering the changing of the rules if there is not going to be some observance of the rules we now have.

INQUIRY AS TO CALLING OF AGRICULTURE COMMITTEE

On the orders of the day:

Mr. E. Nasserden (Rosthern): I should like to direct a question to the Prime Minister. Can the right hon. gentleman tell us whether the agriculture committee will be convened this session and, if possible, when?

Right Hon. L. B. Pearson (Prime Minister): The committee will convene this session whenever the chairman of that committee is in a position to call it. It will meet, I assume.

PENITENTIARIES

ST. VINCENT DE PAUL—ASSAULT OF INMATE BY GUARDS

On the orders of the day:

[*Translation*]

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, I would like to direct a question to the Acting Prime Minister, that is to say to the Minister of Justice. Could the minister tell the house whether the officers of his department have initiated an investigation about the attack on Alvin Gunn, an inmate at St. Vincent de Paul penitentiary? Does the minister intend to make a statement in the house on that matter?

[*Text*]

Mr. Speaker: This is a question for the order paper.

Mr. Grafftey: Mr. Speaker, on a point of privilege—

Some hon. Members: Oh, oh.

[Mr. Speaker.]

Mr. Grafftey: Wait a minute—

Mr. Speaker: The hon. member for Shefford.

Mr. Grafftey: On a point of order, this question involves an attack on an inmate of St. Vincent de Paul penitentiary by guards at the penitentiary. It is a very important question. I merely asked the minister whether his department is making an investigation and whether he has the intention of making a statement in the House of Commons. It involves a great and urgent question of human dignity which the house would like to be seized of.

Mr. Speaker: There is no doubt about the importance of the question, but the attack is over and has been over for some days.

Mr. Grafftey: On a further point of order—

Some hon. Members: Oh, oh.

Mr. Grafftey: This reaction from the house in general—

Some hon. Members: Oh, oh.

Mr. Grafftey: Mr. Speaker, on a point of order, this reaction from the house in general—

Some hon. Members: Oh, oh.

[*Later:*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Justice a question. What response, administratively, has he made, if any, to the strictures and criticisms expressed by a judge in a Montreal court about the beatings that took place at St. Vincent de Paul prison?

Mr. Pugh: That question must be out of order.

Hon. Lionel Chevrier (Minister of Justice): If I am allowed to answer the question, Mr. Speaker, I would say that the moment I saw the report in the press of the evidence, I asked the commissioner of penitentiaries to make an immediate investigation. That has been done, and I expect a report in due course.

Mr. Balcer: Why didn't you say that a moment ago?

Mr. Chevrier: I did not get an opportunity. The hon. member for Brome-Missisquoi walked out.

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question, Mr. Speaker. May I ask the Minister of Justice if this evidence of beatings was uncovered in the first investigation of the St. Vincent de Paul episode?

Mr. Chevrier: My information is that it was not, Mr. Speaker.

Mr. Speaker: May I suggest that it would follow as a logical consequence that the last two questions should have been put on the order paper. I refused a question from the hon. member for Brome-Missisquoi (Mr. Grafftey). I do not think we should pursue that question any further.

[*Later:*]

Mr. E. Nasserden (Rosthern): I wish to raise a point of order, and it has to do with what happened in the house today. With all due deference I believe an apology is owed to the hon. member for Brome-Missisquoi.

Mr. Speaker: Apart from any other consideration, it so happens that the hon. member for Brome-Missisquoi is an intimate personal friend of mine, and I do not think he took any personal offence at all. The question was obviously one for the order paper. There was no particular urgency about it, in that the attack mentioned had already taken place; one cannot recall an attack which is over. The details were details of a sort which the minister could not be expected to recall on the spur of the moment, and for these reasons I suggested that the question be placed on the order paper.

Then the issue seemed to enter a period of argument, and in order to save the time of the house and to prevent argument about the rulings or suggestions made by the Chair I indicated that the matter was over. I do not think there is much more to add than that. I am sure the hon. member for Brome-Missisquoi who, as I have already said, is a personal friend of mine, did not take any personal offence. Certainly none was meant.

Mr. Nasserden: I would agree with much of what you have said, Mr. Speaker, but I also think that what took place after the hon. member had left the chamber leaves something to be desired as far as his privileges in the house are concerned. If it was right for him to be cut off, then the other hon. member should have been cut off, too, and prevented from giving the answer he gave. The Minister of Justice answered the question which the hon. member for Brome-Missisquoi had asked after someone else asked the question.

Some hon. Members: No.

Mr. Speaker: We are getting into a debate and I am sure none of us want to do that. But if the hon. member will check his *Hansard* he will find I said that in view of the fact that the hon. member for Brome-Missisquoi had been refused permission to press his question, questioning on that subject should stop, and it was stopped. In my opinion those answers should not have been made by the Minister of Justice or anyone else, and the other questions should not have been asked. But it is not always possible to control proceedings on the spur of the moment.

HEALTH AND WELFARE

POSSIBILITY OF DISEASE BEING CARRIED BY PIGEONS

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wish to put a question to the Minister of National Health and Welfare.

Following a report from New York concerning the extermination of five million pigeons, have municipal authorities in Ottawa and Toronto requested the services of experts from her department to study the possible dangers of contamination in those cities by pigeons suspected of spreading mortal diseases?

[*Text*]

Mr. Speaker: I have the greatest difficulty in hearing some of these questions, and I wonder could we have a little more attention to this serious matter.

[*Translation*]

Mr. Rondeau: Mr. Speaker, I submit that I was not referring to any hon. member.

[*Text*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I would like to ask you to ask those people on the other side of the house to be quiet while other hon. members are speaking.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, may I respectfully draw Your Honour's attention to the fact that we have been on questions for a full hour now—

Some hon. Members: Sit down.

Mr. Pickersgill: —and I hope I may be heard by the other side of the house. We have been on questions for a full hour here today—

Mr. Donald MacInnis (Cape Breton South): On a point of order—

Mr. Pickersgill: —when a very extraordinary and urgent piece of legislation—

Mr. MacInnis: On a point of order—

Mr. Pickersgill: —which has been demanded for weeks by the opposition—

Mr. MacInnis: On a point of order—

Mr. Pickersgill: —is before the house for consideration.

Mr. MacInnis: On a point of order—

Inquiries of the Ministry

Mr. Pickersgill: I am speaking on a point of order, sir. I am simply drawing this matter respectfully to Your Honour's attention, and through Your Honour to the attention of the house.

Mr. MacInnis: On a point of order, Mr. Speaker, is it not customary in the house when hon. members rise to address the Chair that they only have the privilege of doing so when they are recognized by the Chair? I would draw your attention to the fact that the Secretary of State continually gets on his feet, and without getting recognition from the Chair he continues to speak first.

Mr. Chevrier: He was on his feet first.

Mr. MacInnis: It is time order was applied to that side of the house.

Mr. Pickersgill: I think I was recognized by the Chair.

Mr. Speaker: I am inclined to admit that on occasion I have difficulties with the Secretary of State.

NATIONAL CAPITAL COMMISSION

REPORTED LACK OF CO-ORDINATION WITH LOCAL AUTHORITIES

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I should like to ask the Minister of Public Works a question. Would he have some comments to make on the statement of the mayor of Ottawa, Miss Whitton, to the effect that there is an obvious lack of co-ordination between the management of the national capital commission and the Ottawa civic authorities?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I read that statement and I may say that the mayor of Ottawa is free to express her own opinions, specially concerning any organization which has to deal with the city of Ottawa.

As far as I am concerned, I take this opportunity to say that the chairman and the members of the national capital commission perform a remarkable job.

Mr. Martineau: Mr. Speaker, I have a supplementary question. Will the city of Ottawa and the other municipalities located in the national capital region be represented on the committee which will consider the Parkin report recommendations?

[*Text*]

Mr. Speaker: The hon. member for Port Arthur (Mr. Fisher).

Mr. Martineau: Mr. Speaker, the minister was going to give an answer.

[Mr. MacInnis.]

[*Translation*]

Mr. Deschatelets: Mr. Speaker, I will take the question as notice and answer it in a few days.

[*Text*]

HOUSE OF COMMONS

CONSIDERATION FOR STAFF DURING WEEK END SITTINGS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State. In view of the fact that the house is going to sit on Thanksgiving day, and in view of the fact that it looks as though we might have to sit on Saturday—and maybe Sunday as well and thus make it a long week end—to get some business done, can the minister say whether consideration will be given to making arrangements so that all the staff of the House of Commons does not have to be here all the hours that we may be sitting?

If perchance we are sitting on both Saturday and Monday, and another holiday later on, perhaps there could be some dividing up so the members of our staff get some of these days off even though we are here.

Hon. J. W. Pickersgill (Secretary of State): I am sure His Honour the Speaker and the officials of the house make every endeavour on all such occasions to do the best they can in the circumstances. The hon. gentleman has now brought the matter to their attention, and I have complete confidence that the views he has expressed will be their views.

Mr. Knowles: I hope the Speaker does not have any trouble with the Secretary of State on this matter.

Mr. Pickersgill: He will have none.

INDUSTRY

NOVA SCOTIA—ESTABLISHMENT OF HEAVY WATER PLANT

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Can the Minister of Labour indicate to the house if there is likely to be any early announcement on government policy which would permit the Nova Scotia government to finance and build a heavy water plant, possibly within the hon. gentleman's constituency?

Hon. A. J. MacEachen (Minister of Labour): If the Nova Scotia government is entirely responsible for this matter, as the hon. member suggests, why does he direct his question to the Minister of Labour of this government?

Mr. MacInnis: The hon. member for Cape Breton South did not suggest that the Nova Scotia government was fully responsible for it. He said the government of Nova Scotia was prepared to build and finance such a plant. The only requirement from the federal government—and the minister is aware of this—is a statement as to whether Atomic Energy of Canada will buy the product, and he himself has stated publicly he is pushing to have this installation in his own constituency.

MARITIME TRANSPORTATION UNIONS

PROVISION FOR MANAGEMENT AND CONTROL BY TRUSTEES

The house resumed from Wednesday, October 9, consideration in committee of the following resolution—Mr. MacEachen—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees; to provide for the establishment of the board of trustees of the maritime transportation unions consisting of a chairman and two other members; to provide for the payment of their remuneration and expenses and to authorize the employment and remuneration of such personnel as may be necessary for the carrying out of the duties and powers of the trustees under the said measure.

Mr. Orlikow: Mr. Chairman, in the few minutes which I had yesterday I said that the labour movement in Canada for historical reasons was opposed in principle to the idea of government intervention in the internal business of labour unions; but because of the record of violence and intimidation the executive council of the Canadian Labour Congress, having amongst its members the top officers of Canadian unions both national and international, met this week in Ottawa and reluctantly approved the proposal of the government of Canada to impose a trusteeship on the maritime unions, and particularly on the S.I.U.

It did so because in the opinion of the labour movement the S.I.U. is not a legitimate trade union. The labour movement in Canada is proud of the fact that in nearly every case the unions in Canada are democratic. They are being conducted honestly. They are keeping their members informed about what goes on and getting approval from their members of decisions which are made. The salaries paid to union officers are set by union conventions. Expenses for union business are carefully audited. In the history of the Canadian labour movement there has been little evidence of misuse of funds. Most of the unions in Canada, like the ladies garment workers, the steel workers, the packing house workers, have pioneered, in regular and frequent reports to their membership, the giving of full financial reports.

If we look at the report of Justice Norris we see how differently the affairs of the seafarers international union were conducted. Justice Norris reports that in the course of four years, namely from 1959 to 1962, Mr. Banks had expenses of over $80,000 for which he provided vouchers for just over $8,000. In that period of time Mr. Banks increased the salary paid himself and other top officials of the union without getting the approval of the membership and without reporting it to the members. No legitimate trade union in Canada or the United States would permit such activity and no legitimate trade union leader would be a partner to that. Mr. Justice Norris reports that thousands of dollars of union funds were spent on a lavish apartment for the personal use of Mr. Banks. He also reports that union funds were used for air travel for friends or relatives of Mr. Banks who had nothing to do with the business of the union.

This is not the way for any legitimate trade unionist to act, Mr. Chairman, and it is not surprising therefore that the labour movement has agreed to trusteeship. Mr. Banks was able to keep control of the union by the use of the "do not ship" list, and later by the "report of charges" cards. Thousands of workers were prevented by this method from working, although the whole system was declared illegal by the courts. But the workers knew that if they were put on this list they would lose completely their opportunity to work. Under those circumstances they had no alternative but to take orders from Mr. Banks and his henchmen.

Justice Norris has documented the use of violence and intimidation by the S.I.U. under the direction of Mr. Banks. In schedule 31 of the Norris report there are listed the acts of violence and intimidation, and hon. members ought to read this to see how people were beaten, how others were subjected to telephone harassment. There was the ransacking of offices, damage to property, firing with guns on ships and stoning of vessels. The power of Mr. Banks over the whole industry can be seen very clearly from a letter which a Captain Watson wrote to Mr. Banks and which I want to read into the record. It is to be found at page 208 of the report. It is dated October 7, 1954, and is addressed to Mr. Hal Banks, president, S.I.U., Montreal.

Dear Mr. Banks,

In regards to a letter I wrote about two months ago to the newspaper in Owen Sound, Ontario.

In this letter I made some disparaging remarks about you for which I now tender my sincere and humble apologies.

The main body of the letter I copied from a Toronto newspaper, but have since come to the

conclusion that the write up in the newspaper was an attempt to attack the union, through its leaders, and I was sucked in as probably some others were.

However I was foolish enough to go into print with my opinions and must now offer my apology, this along with my avowal to refrain from any comments about you or anybody else is all I can offer to you in the way of reparation.

My job and my family's welfare depend now entirely on your mercy.

I hope you will accept my apology and in your benevolence allow me to keep my job so I can keep my family.

If there is anything I can do to square this with you I will most earnestly do so.

Yours very sincerely

J. M. Watson
S.S. George Hindman.

I want to point out that this letter was written on the stationery of the Hindman Transportation Company Limited. Following that letter Justice Norris says, according to page 208 of the report:

Howard Hindman, the president of the company, was cross-examined by commission counsel, and he admitted that as a result of a telephone call from Banks, Captain George Hindman, then head of the company, "suggested" that Watson write the letter. Howard Hindman admitted that Watson "must have been in a frantic state when he wrote a letter like that".

In other words, so great is the power of Mr. Banks that the president of a shipping company with which Mr. Banks does business permits the captain of a ship to write this kind of abject letter. It is no wonder that Mr. Banks felt that he could do virtually anything in this country. Justice Norris has given a very short and descriptive impression of Mr. Banks which I think should be put on the record. He says, as reported at page 249:

Banks is capable, decisive, egocentric, intolerant and ruthless. He is of the stuff of the Capones and the Hoffas of whom the dictators throughout history, from the earliest times to the totalitarians, Hitler and Stalin, are prototypes. He is a bully, cruel, dishonest, greedy, power hungry, contemptuous of the law. In his mouth, the use of the word "democracy" is sheer blasphemy. For him the "big lie" and the failure to remember are ever-ready weapons and shields.

Well, Mr. Chairman, Mr. Banks is not by any stretch of the imagination representative of the real labour leaders of this country. It is being suggested by some newspapers and commentators that somehow labour is responsible for Mr. Banks, that all labour should be tarred with the same brush. It is forgotten by many people that it was the C.L.C. which expelled Mr. Banks and the S.I.U. from the ranks of organized labour; that it was the C.L.C. which forced the former government to act on the cancer by closing the seaway. It was the C.L.C. which asked the government to take whatever steps were necessary to clear up the mess. It was the C.L.C. which urged Justice Norris to bring forward any recommendations necessary to clear up the situation. The C.L.C. has also accepted his report, even though it is in principle opposed to trusteeship. But, Mr. Chairman, no gangster can get power and keep power unless the people he works with co-operate. Labour has acted on its own in so far as it could by expelling the S.I.U. from the labour movement. Mr. Justice Norris has made proposals with respect to controlling the unions in the industry and we are now being asked to act upon them. But despite the fact that Mr. Justice Norris has some very scathing things to say about the companies in the industry, we have not yet had any suggestion by the government that steps will be taken to apply the same kind of sanctions against the companies as will be applied against the unions concerned.

I think it should be of interest to the public to know something about the industry, and particularly about the largest company in the industry which Mr. Justice Norris has blamed for being responsible for the difficulties to a great extent, and for permitting Mr. Banks to continue as he did. I want to put on the record the names of some of the distinguished, shall I call them, directors of Canada Steamship Lines Limited. This information can be found in the directory of directors issued by the *Financial Post*. The president is T. R. McLagan and the vice president is H. A. Cresswell. The directors are D. W. Ambridge, G. C. Bateman, Hon. T. A. Crerar, J. H. Davey, A. O. Dufresne, Sir Philip Dunn, D. S. Holbrook, W. H. Howard, J. A. Mathewson, Gordon McMillan, K. A. Powell, R. W. Milner, H. A. Cresswell and T. R. McLagan.

Let us look at these people, because they are not only directors of Canada Steamship Lines. Mr. McLagan, besides being president and general manager of Canada Steamship Lines, is a director and member of the executive committee of the Algoma Steel Corporation, a director of Abitibi Power and Paper Company, British Petroleum Canada Limited, Canadair Limited, the Foundation Company of Quebec Limited and the Royal Bank of Canada.

Mr. Cresswell, besides being a director of Canada Steamship Lines, is vice president and director of Century Coal Company Limited and a director of Reliance Insurance Company. Mr. Ambridge, besides being a director of Canada Steamship Lines, is president of Abitibi Power and Paper Company Limited and a director of Canadian Petrofina Limited, the Montreal Trust Company and the Royal Bank of Canada. Hon. T. A. Crerar, besides being a senator and a director of Canada Steamship Lines, is chairman of the advisory committee of the Eastern Trust Company and a director of the Great West Life

Assurance Company. Mr. Dufresne is a director of Noranda Mines Limited and of Gaspe Copper Mines Limited. Mr. Holbrook is president and chairman of the Algoma Steel Corporation and a director of the Royal Bank of Canada.

I could go on and on, Mr. Chairman, but it is obvious that these people between them constitute a veritable who's who of Canadian business. I suggest they have some responsibility, and I want to put on the record some of the activities of the top officials who work for them, because their role in this sordid story is really an infamous one. Mr. Dunkerley, the personnel manager of Canada Steamship Lines in charge of labour relations, is in my opinion a disgrace to legitimate business. He ignored the law. He conspired with Mr. Banks.

For members who may question my characterization of him, let me read from the report presented by Mr. Justice Norris. I quote from page 54:

> In February of 1959, Dunkerley, personnel manager of the C.S.L. in charge of labour relations, advised Greaves that the C.S.L. had signed a collective agreement with the S.I.U. licensed division in spite of the fact that that company had a collective bargaining agreement with N.A.M.E. Greaves testified that when he pointed out to Dunkerley that the action of the C.S.L. in signing an agreement with the S.I.U. was illegal, Dunkerley said:
>
> "Did you read the statement I made a couple of days ago before our management associations? There are no teeth in the labour laws. Have a look at the act. First of all you have to go to the minister and get permission to prosecute. That will take you a couple of months. We will kick it around in the courts here for a year and if necessary we will take it to the Supreme Court of Canada. This will take about two years."
>
> Greaves swore that Dunkerley told him that there would be merely a fine if the company was found guilty.
>
> "We have assurance from Mr. Banks of indemnification. By this time you will be out of business if you do not get your dues coming in, you know that. That is the way of life."

I suggest this is conspiracy. Some time ago I put a question on the order paper asking whether the government was considering the prosecution of the officials of the company concerned. It may be that the directors whom I have mentioned did not bother with the day to day operations of the company and did not know the kind of operation Mr. Dunkerley was conducting, but surely they knew about it after the Norris report came out. But still there is no action against Mr. Dunkerley. I presume that if he comes to Ottawa he will be a welcome guest at the Rideau club, along with all the other members of the establishment who are welcome there.

It is a sad state of affairs when you look at the principles on which businessmen are basing their operations. What about the business ethics of Canada Steamship Lines? Let us turn to the Norris report again. On pages 142 and 143 there is a fantastic story by Mr. Banks in which he claims that Canada Steamship Lines, this great organization directed by some of the greatest and wealthiest businessmen in the country, had a plan to transfer their whole Canadian operations from Canada to Bermuda. Why? So they could get out of paying the legitimate income taxes which they would have to pay in this country.

Mr. Banks has been called a lot of things and he may have been lying on this occasion, but it is significant that Canada Steamship Lines did not take occasion, as I am sure they would have if Mr. Banks had been lying or exaggerating, to ask for the right to appear before Mr. Justice Norris to deny the story which Mr. Banks put on the record. Therefore I have to assume that this is an honest statement and that this is what their intentions were. The fact that they did not go through with it is a separate matter, but these are the kind of people who are running one of the biggest companies in an important Canadian industry.

Banks has been expelled from the labour movement but Mr. Dunkerley remains as a top official of Canada Steamship Lines. Mr. Banks' union is being put under trusteeship, or will be as soon as the legislation proposed is passed by parliament, I assume. I hope that one of the first steps the trustees will take will be to see that Mr. Banks is fired as head of the S.I.U. and that he no longer has any position or influence in the Canadian branch of the S.I.U.

What about Canada Steamship Lines? What about Mr. Dunkerley? No action has yet been proposed. To some of us, Mr. Chairman, it looks like we have one law for labour misdeeds and another law for management misdeeds, in fact, no law for management misdeeds, which makes it even worse. If we can devise a law to put the union under trusteeship, surely the very competent lawyers and other technical people in the Department of Labour and Department of Justice could devise amendments to laws such as the Canada Shipping Act, so that companies and their officers who break Canadian laws will be penalized.

But nothing has been suggested, Mr. Chairman. I for one wonder why. I think the Minister of Labour should give us the reasons why there has been no suggestion of any move on the part of the government to punish companies, which are just as guilty of offences against the Canadian people and against the law as are Mr. Banks and the S.I.U.

But, Mr. Chairman, we need not have waited until 1963 to act in this matter. We have heard a great deal from the former prime minister and the former minister of labour about the friendship of Mr. Banks for the Liberal party. I believe that has been and can be documented. However, it is not my intention to add to that criticism. The members of the Liberal government will have to answer for that themselves. The former government had an opportunity to act in this connection.

In 1959, Mr. Bernard Wilson, the director of industrial relations, Department of Labour, received a letter from Mr. Misener of Scott Misener Steamships Limited. I believe this letter has already been read into the record on several occasions. In this letter Mr. Misener informed Mr. Wilson that, despite an agreement which his company had with another union which had been certified, his company proposed to ignore the certification and signed an agreement with Mr. Banks' union. Along with that letter, there was a copy of a letter from Mr. Banks guaranteeing the company's indemnification if they were sued for damages.

Now, Mr. Chairman, Mr. Wilson's reputation is well known in the Canadian labour movement. I cannot believe for one moment that Mr. Wilson did not consider that a violation of the Canada labour relations act was a serious offence. I cannot believe for a moment that Mr. Wilson did not report this case to the former minister of labour or that the former minister of labour did not report the matter to the then prime minister. We have to ask ourselves, therefore, why the former government did not prosecute the company and the S.I.U. at that time. Had they done that, Mr. Chairman, in all likelihood, we would not be faced with the problems with which we are now faced. We have a right to ask what pressures were brought upon the former government, and by whom. We can only speculate on this, although there are some rather interesting rumors in this connection.

It is certain, too, that the procrastination of the former government, as well as the failure of the Liberal government to deport Mr. Banks when they had not only the right but the obligation to do so, has cost us dearly and has contributed to the condition on the great lakes. We need to take action to clean up this unholy mess. While we are taking action we need to make certain that all the guilty people are punished, whether they are the so-called labour leaders like Mr. Banks, or business leaders, whether they be Mr. McLagan, Mr. Dunkerley, Senator Crerar or anybody else. No matter who they are, what their power or influence, all of them should be brought to justice.

I should like to conclude by saying that we in this group are, in principle, opposed to government interference with the free labour movement. We do not like, we deplore, the necessity for this legislation. We deplore the idea of trusteeship. We think that five years is too long. However, we are prepared to accept this legislation. We are prepared to support this legislation. We are prepared to go back to our people, to the labour movement with whom we have a close connection, and to explain the necessity for this. But, Mr. Chairman, I want to say to the Minister of Labour and to the Minister of Justice that it would be a lot easier to explain if we could tell the labour movement at the same time that the people on the other side who are just as guilty, but who may have a little more influence, will also be punished.

Mr. Diefenbaker: Mr. Chairman, in so far as the allegations that were made in the penultimate paragraph of the hon. gentleman's speech, they will be answered by the hon. member for Ontario who will show conclusively that the action taken by the former government went as far as it could go under the circumstances, and in no way was dictated by any other consideration than that the law be administered equally and fairly. He will deal with that phase.

I rise, however, this afternoon to add something to the stand that was taken on behalf of the official opposition by the former minister of labour. I begin by pointing out the fact that while parliament is in session we have been endeavouring for a number of days to secure a declaration of policy from the government relative to the longshoremen's strike which, as I stated the other day, is connected very directly with the lack of action by the government to bring about trusteeship in the latter part of July. While we have waited for a declaration of policy in this regard, the Canadian Club in the city of Toronto received information that has been denied consistently to parliament.

I said a moment ago that I was going to deal with one or two phases of this matter which, as yet, have not received the attention of the house. Hon. members in all parties are agreed that this type of extraordinary legislation ought not to be passed except when the circumstances deny any other available course of action in the national interest. Ever since the Norris commission made its report, there has been a continuing series of disorders on the great lakes. The Norris report was clear and unequivocal. I say this, that what is taking place at this very moment on

the St. Lawrence river is directly attributable to, or indirectly the result of the failure of this government to act on the Norris report when it should have acted, that is, before the adjournment of this house in the month of August.

Mr. MacEachen: May I ask the right hon. gentleman a question?

Mr. Diefenbaker: I will take questions at the end of my remarks. I am going to give in some degree of particularity—

Mr. MacEachen: This is not the kind of co-operation I gave yesterday to my hon. friend.

Mr. Diefenbaker: —the indications of the government's failure to act in this connection, in not bringing in legislation for the appointment of trustees. I repeat this has in considerable measure, if not altogether, contributed to the situation that now confronts us.

Mr. MacEachen: You have no evidence for that statement.

Mr. Diefenbaker: The hon. gentleman can deny it. I am going to refer to the arrival of a distinguished United States labour representative by the name of Gleason, the head of a union organization. I am going to refer to the degree to which throughout the years he and Mr. Banks have co-operated in illegal action, in intimidation, in international blackmail. Now, we find ourselves, as a result of the failure of the government to act, in a very dangerous situation economically in this nation.

There has been, as I said a moment ago, a long record of association between the longshoremen's union and the S.I.U. Today we face a situation on the St. Lawrence which, in my opinion, would be nonexistent if the government had acted as it should have, instead of adopting the attitude of indolence that has characterized it throughout the problem.

Nobody opposed the trusteeship, and in this connection I shall refer to the attitude of the great labour leaders of our country. They certainly did not welcome it as something they would like to have as a regular course of action; but recognizing and realizing something had to be done, and that the recommendation made by Mr. Justice Norris met the demands of the moment and the needs of the preservation of free international and national trade union rights, they admitted there was no other course available.

But what happened? The government played around with the problem as it has played around with others. The great labour leaders in Canada were prepared to accept this trusteeship, but the government stalled. Members of the government had briefings from Mr. Wirtz, Mr. Reynolds, Mr. Hall and Mr. Meany.

Mr. MacEachen: On a question of privilege, Mr. Chairman, the right hon. gentleman has said that the government had briefings from Mr. Paul Hall. That is quite incorrect.

Mr. Diefenbaker: Will the hon. gentleman answer me in debate and not by interruptions of that kind? There is no privilege in that at all. So far as the minister is concerned I think he has tried, but somebody has tied his hands from action. The Secretary of State was one of those who had solicitude for Banks only a few years ago, and it is surprising the solicitude has continued.

Mr. Pickersgill: On a question of privilege, Mr. Chairman, the right hon. gentleman has presumed to make a statement about me which is a downright falsehood, and which I deny categorically. I have never had the faintest solicitude for Mr. Banks at any time whatever. I have never had any association with him, and have never seen him and never spoken to him in my life.

Mr. Diefenbaker: Solicitude does not demand personal acquaintanceship. Let me point out this fact—

Mr. Pickersgill: How about your friend, Mr. Nixon?

Mr. Diefenbaker: On July 8, 1954, six or seven days after the hon. gentleman became minister of immigration, the order in council was passed to which I made reference the other day, and which gave to Mr. Banks the halo of governmental approval and denied us ever being able to deport this man who should have been deported.

Mr. Pickersgill: Mr. Chairman, on a question of privilege, the right hon. gentleman is a lawyer and surely he knows the statement he has made is not true. Any person can be deported who is not a citizen of this country if there are grounds for deportation, but the whole point is that in six years the right hon. gentleman never took any trouble to find any grounds for deportation.

Mr. Diefenbaker: Mr. Chairman, I do not mind questions of privilege, but that type of interruption indicates that the hon. gentleman is trying to break the rules. I simply point out that if what he says is true, then Justice Norris did not know what he was talking about because Justice Norris says that once the order in council was passed, deportation procedures were past.

Mr. Pickersgill: Read the law.

Mr. Diefenbaker: Yes, and the law was changed a few days before the hon. gentleman became the minister.

Mr. Pickersgill: On a question of privilege—

Mr. Diefenbaker: It is not privilege now.

Mr. Pickersgill: —the statement of the right hon. gentleman is false. The law was changed when he was a member of parliament and I was not. The Immigration Act was changed before I ever entered the house, and the right hon. gentleman participated in the change.

Some hon. Members: Hear, hear.

The Chairman: Order. I submit there is no real question of privilege here, and I would suggest the Leader of the Opposition be given an opportunity to continue his speech.

Mr. Pickersgill: If he would stick to the truth.

Mr. Diefenbaker: Before the hon. gentleman became a member of parliament he was the eminence who controlled. We recall the control he had, and he utilized the change of the law that took place in June, before he took office, to join with the other ministers on July 8 in placing Mr. Banks above any possibility of deportation. I know how his feelings are hurt, I can realize that. But that is what they did; and Mr. Justice Norris says from that moment on this man Banks enjoyed an unchallengeable position and could not be deported.

Mr. Pickersgill: That statement is not true.

Mr. Diefenbaker: Mr. Chairman, one thinks of the cuckoo in June when those interruptions are made. I point out that Banks had an unchallengeable position and no denial can take place. Regarding the order in council, they hid Banks' record, and hid his conviction for being in possession of smuggled goods. They gave him the status of a man who was above challenge, so long as thereafter he lived within the law. Over and over again we had this looked into, to see whether after that order in council—and following the change in the law which took place in June 1952, a measure introduced as I recall by Mr. Harris—there were any means whereby we could do anything to Banks; but he was above the law.

Mr. Pickersgill: So long as he remained within the law.

Mr. Diefenbaker: He enjoyed an unchallengeable position, and now we have the delay, postponement, procrastination, indecision and confusion that have been the position of the government since the month of July. Why was there this delay? It was because the government had an irresistible urge to seek a way out. It did not want to act.

The government could not blame our great trade union leaders. Mr. Jodoin, president of the Canadian Labour Congress, came out publicly in favour of the trusteeship. Mr. Smith of the Canadian brotherhood of railway and transportation workers supported it. No single voice of Canadian labour opposed it. All realized there was no other way of breaking the hold and the power of Banks.

The other day the minister said he was waiting because he believed in clean, democratic trade unionism. So do we. Does the minister say that clean, democratic trade unionism is unknown to Mr. Jodoin, Mr. Dodge, Mr. Smith and the other leaders who agreed to accept the trusteeship? However the government did not act. It had to see all these various people.

Mr. Jodoin, to his credit, remained firm. He did not welcome this kind of legislation but he realized the need for action being taken. Canadian labour refused to accept any kind of a cooked up deal that would have left Harold Chamberlain Banks in command of the Canadian seamen on great lakes. I say if Canadian labour leaders never do any more than they did on this occasion in connection with this matter, in standing firm in the interests of Canadians, they will do well for those they represent. But the government stalled, and I repeat what I said the other day, even though it has been denied, that what is happening today in Montreal is in fact in keeping with what one would expect would take place, if there is any co-operation as between Mr. Gleason and Mr. Banks. Mr. Gleason has just arrived in Montreal. What is he there for? He comes over from the United States. Has he been working in the past with Mr. Banks? Is the past past, and does he no longer work with him? The hon. gentleman who preceded me read from the record. I intend to do so also. On page 276 we read this:

> The position of the M.T.D. and particularly of its international division has been dealt with. It is well to consider now the other organizations which are supporting the activities of Banks, the S.I.U. and the M.T.D., in the harassment of upper lakes vessels and in the interference with international and interprovincial trade.
>
> The president of the teamsters is James R. Hoffa.

Then he says on page 277:

> The president of this association—

Mr. Justice Norris is referring to the international longshoremen's association:

> —is William V. Bradley; its general organizer is Thomas Gleason. These two have been closely associated with Banks.

Now I want to quote what Mr. Meany said about Mr. Gleason. He is the man behind the

man behind the strike on the St. Lawrence. Mr. Justice Norris says on page 278:

> On November 19, 1953, a statement was issued by George Meany at the conclusion of a meeting of the board of trustees supervising the new international longshoremen's association:
>
> "The racketeers who are trying to perpetuate their control of the port of New York failed in their attempt yesterday to camouflage their 'front' organization with a new look".

Then he goes on to say:

"He exposed"—

This is referring to Bradley:

—"the true nature of his supporters when he credited his election"—

That is, the election of the new president:

—"to the work of Thomas Gleason, a local union official who was cited in testimony before the New York state crime investigating committee for consorting with gangsters and accepting gratuities from stevedoring and steamship company officials.

"The actions at Philadelphia add up to one inescapable conclusion—the mob is still in complete control of the old I.L.A."

Then Mr. Justice Norris goes on to say:

> It is to be noted what Mr. Meany said about Bradley and Gleason in this statement—the same Bradley and Gleason who now control the affairs of the I.L.A. and at the present time are assisting Banks in his lawless acts.

It was back in June or July when Mr. Justice Norris wrote this, that this man Gleason, who is now in Montreal, the head of the I.L.A., had assisted Banks in his lawless acts. Then he goes on to say:

> The violence and excesses which existed in the operations of the I.L.A. under Bradley and Gleason and in the operations of the teamsters under Hoffa, are of a pattern with the acts of lawlessness which have occurred during Banks' regime and in connection with the dispute with Upper Lakes.
>
> Bradley and Gleason of the I.L.A. and Hoffa's teamsters are the people who have, with the S.I.U. of North America, been assisting Banks to maintain absolute power on the great lakes.

There is the record. This is the man, Gleason, who now comes into our midst. This is the man who is going to see what can be done. Again I come back to what I have said on previous occasions, that what is happening in Montreal has a direct connection with Banks and his opposition to a trusteeship and the maintenance of law and order in this country.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: I go on to say this. The judge dealt with Banks, Gleason and Hoffa. What a triumvirate of lawlessness got together there. Hoffa, Gleason and Banks are together, dominating Canada, challenging parliament. The other day one of them said, "If the minister tells us to go back to work, we will not go. If parliament tells us to go back to work, we will go back but we will not work". What anarchy is this that they would perpetrate upon the Canadian people? Who are these demi-gods? Then Mr. Justice Norris concluded in this way:

> The fact that these are the elements that are actively working together today as a federation, but lacking only the formalities of organization, in an effort to maintain a one-man lawless rule over shipping on the great lakes, is a threat to our democracy of the gravest kind.

There you have it. Here we have the I.L.A., with Gleason arriving in Montreal to see what he can do. The I.L.A. and Gleason are united with Banks, according to Mr. Justice Norris. No wonder men like Mr. Jodoin and other outstanding labour leaders have said that this action of appointing a trusteeship, while it is not something they would accept with alacrity, is something that must be accepted in the interests of the nation as a whole. I simply wanted to place this on the record because this triumvirate have been together before. I ask the committee to look at the Montreal *Star* of November 20, 1960. It is very interesting that on the left of the picture you have Thomas Gleason with Hal Banks having his arm around him in affectionate embrace.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: You begin to see the connection. Canada's economy is challenged by this type of person, Gleason and those associated with him; a man who has been guilty of lawlessness, in association with gangsters and in co-operation with Banks. That is why the problem that faces the government has been one of great difficulty. I repeat what I said earlier, that if the government had acted and given parliament the opportunity to appoint the trusteeship in early August before we adjourned, these things that are happening now, the challenge to the economy of the country, which denies people the right to travel here and there on the St. Lawrence, would not have taken place. Just imagine: this is 1963, and the Canadian weekly newspapers association people returning, together with the others who are with them, cannot get off a ship; they are imprisoned there by the lawlessness of the Gleasons who in the past have been the company and the associates of the Banks.

There you see the whole picture—Banks fighting against a trusteeship which will dethrone him from his arrogant position today of dominating above the law those that come under his control, and his friend Gleason arriving in Montreal to see what can be done. When Gleason was asked what he came for, he stated as follows, as reported in today's *Globe and Mail*:

> Thomas Gleason, president of the international longshoremen's association, flew here from New York to have a look at the situation and to confer with the strikers.

While the government delayed and refused to face the situation, the tremendous volume of opposition to action set the scene for the mobilization of the Gleasons and those associated with them in an endeavour to defy parliament and the Canadian people.

I did not hear this broadcast last evening but I am informed that it took place. President Asselin of the international longshoremen in Montreal told a C.B.C. reporter that his union was friendly to the seafarers' international union. This was in answer to a direct question, whether the longshoremen's strike was being undertaken to bring pressure on the government to counter the imposition of the trusteeship. The reply he gave was, as I have said, that his union was very friendly to the S.I.U.

A moment ago I mentioned some of the operations of these people. In 1949, through 1950 and 1951, Banks coerced various great lakes companies to sign contracts. He did so by blocking United States ports such as Detroit against Canadian vessels importing newsprint or iron ore. He was able to do so by enlisting the support of the international longshoremen's association whose members, together with those of other waterfront unions in United States ports, would refuse to cross picket lines established by the S.I.U.

I think we are unanimous in support of the legislation which this government has introduced. I want to thank the minister for the explanation he gave in detail before this measure was presented. He mentioned a period of five years. I think that period could well be reduced to two years. But the principle, as I say, we support. We are in condemnation of the government for their failure to act courageously in July and August. We condemn them for following, as they did, a course of waiting, hoping, anticipating—doing everything but face the situation until circumstances took over and they were forced to act.

Mr. Regan: Having had a long and close association with trade unions, I am anxious to express my views on certain aspects of this matter. First, let me say I was startled to hear the remarks made by the Leader of the Opposition. I thought there was a flavour of Alice in Wonderland attached to them. I could hardly believe my ears when the right hon. gentleman who headed the previous administration had the unmitigated gall to criticize my hon. friend the Minister of Labour for not having acted more promptly in this matter, when the whole problem of strife on the great lakes arose solely as a result of the prolonged procrastination of the former administration.

A similar degree of procrastination has not been seen before. Though the situation on the great lakes was deteriorating steadily, nothing was done about it by the previous administration. I should have thought the Leader of the Opposition would have slouched low in his seat during the course of this debate and have taken no part in it at all. The hon. member for Red Deer suggested that the former administration had turned a blind eye toward the growing strife on the great lakes in 1961 and 1962. I suggest they turned two blind eyes toward this problem. How much, I ask the committee, did the power of Mr. Banks grow during the six years when the former administration was in power? How far did the tentacles of this octopus spread during all the years when the previous administration sat back and did nothing? Let me go further and say, as regards the feeble effort made by the right hon. gentleman this afternoon to find some connection between the strike presently under way in Montreal and the great lakes situation involving the S.I.U., that never since the miracle of the loaves and fishes has so much been made out of so little. We have the international president of a union which is holding a legal strike in Montreal visiting the city where this serious strike is under way. Out of this act alone, the Leader of the Opposition would conclude that there was a deep and dark conspiracy involving the tie-in of the two strikes. Certainly, this is a defence mechanism of the worst type, set up in order to avoid the blame which lies naturally on the shoulders of the former administration for allowing Banks and his power to grow and grow while they sat and sat and did nothing.

It is my intention to support this legislation establishing a public trusteeship over the maritime unions, but I did not reach such a conclusion as quickly as did some members of the official opposition. As a matter of fact, I did not reach it with the alacrity of the hon. member for Burnaby-Coquitlam who, as early as July, urged that the government press ahead with trusteeship legislation and advised it not to consider any alternative remedies.

So alien is the prospect of a government trusteeship over trade unions, in my philosophy of labour and concept of democracy, that I could not bring myself to support this legislation until all possibility of an effective alternative remedy had vanished. Even now, I support it, not with a glad heart, but with the knowledge that this incursion into the freedom of association of workers in our country and into their freedom to manage their own affairs must be reluctantly accepted in order to protect the greater and

more basic rights of those workers and, indeed, of all citizens, in order that they may carry on their lawful activities without intimidation, violence and corruption permeating those activities.

I sincerely hope that no province in Canada will consider this action by the federal parliament as a precedent to be followed in the future. I hope this parliament itself will not consider the action we now propose as a precedent except in a most serious situation such as we face at this time. My reservations concerning this legislation were heightened by a conviction that the trusteeship legislation proposed is not a cure-all and, indeed, that it may wholly fail to rectify the evils that exist. Nevertheless, with the proper support of parliament, the public and the seamen, it may succeed, provided a wise choice of trustees is made and, therefore, it must be attempted.

I would in part agree with the sentiments expressed by the hon. member for Red Deer who suggested that our federal labour laws need to be overhauled. Though I am sure I would disagree with some of the specific changes the hon. member might wish to make, it must be recognized that the growth of lawlessness and tyranny within the ranks of the S.I.U. was only possible because of the inadequacies of our labour laws. We must remove the inadequacies which allow such a situation to develop by bringing in new legislation, but legislation which still assures the independence and freedom of our trade associations.

Our outdated labour legislation recognizes no difference between industrial plant type operations and far reaching transportation activities. The hon. member for Red Deer, in speaking on this legislation, was extremely critical of the closed shop as a weapon by which the S.I.U. were able to impose their wholly unreasonable control on the livelihoods of so many sailors. I gather from the context of his remarks that he feels the closed shop should be outlawed. I would agree with the hon. member that there might be some merit in substituting a union shop arrangement for a closed shop for certain sea-going commercial activities, because this would remove the power of assignment from the S.I.U. union bosses and enable the company to determine what seamen they would employ subject, of course, to seniority provisions on recall and the provision that new employees would be required to join the union within a specified time. But the danger of generalization of the type indulged in by the hon. member, and further evidence of the need for legislation with varying provisions for different types of industrial activities is found in the fact that the closed shop has worked very satisfactorily in the construction industry, and it is indeed hard to conceive how the interests of the workers in that industry could be properly protected without closed shop provisions. I would hope that as soon as this trusteeship is firmly established the government would consider the legislation that is necessary to prevent the development of a similar situation in the emergence of another Hal Banks in some other union. I hope that the government will in time consider the possibility of other legislation, such as an examination of pension and welfare funds by a committee of the labour relations board, and review the amount of initiation fees and dues paid to the unions to determine whether they are realistic or for the purposes of keeping people out. I think that the whole role of the labour relations board should be reviewed, at all times keeping in mind that the independence of the trade unions must be protected.

While we in Canada admire much about our great neighbour to the south, I for one have anything but admiration for the lawless type of gangsterism within certain trade unions in that nation, and the seeming inability of the United States administration and courts to curtail such trends. We in Canada must here and now show that we have the legislative courage and the administrative ability to guarantee the workers of our nation that trade unions shall be operated for the benefit of the members and not for the enrichment of unprincipled, dictatorial leaders. If we are successful in re-establishing democratic trade unionism on the great lakes, then we shall have conclusively demonstrated to any other prospective gangster union czar that Canada is not fertile soil for this type of activity.

I note from the newspaper reports that the action of this parliament in establishing a trusteeship will not be accepted in good grace by United States labour leaders, and there are reports that the continuation of the export of this whole national matter may be marked by further harassment of Canadian shipping in U.S. ports. I sincerely hope that this will not be the case. Unfortunately, some United States union leaders seem more concerned with retaining membership in their operations than in distinguishing right from wrong. I would say, as a private member, for the benefit of these leaders, that continued interference in this wholly Canadian matter by United States union interests after parliament has acted would be most unwise. I feel that private members on all sides of this house, with the support of public opinion would, in these circumstances, press for a greater degree of autonomy for the Canadian branches of

U.S.-based international unions, and I suggest there is a good possibility that legislation could follow. While United States unions financed and greatly speeded the organization of Canadian workers in the early years, the Canadian trade union movement has now reached a maturity sufficient to allow it to stand on its own feet, and if United States unions are to interfere in our disputes and continue to refuse to recognize our national existence as an independent state, then they may find that they are providing the catalyst for the early development of a wholly independent Canadian trade union movement.

Some officials of the United States government have been critical of our government's announced intention to proceed with this legislation. However, they make no realistic or constructive suggestion as to how they would handle a similar situation. Having observed their inability to curtail the Hoffas, one can only conclude that they are hardly experts in dealing with such situations. I feel, however, that the United States has a legitimate interest in this dispute, as the St. Lawrence seaway is an international commission and much great lakes shipping takes place between our two countries. So I am not sure that the United States government can be criticized, as it was by one speaker, for expressing its views on our proposed legislation, although I am not at all sure that they would willingly accept our criticism of lawlessness in their unions, which is of concern in this country because of international trade union affiliation.

Every praise should be given to the Minister of Labour for the manner in which he has dealt with this perplexing problem. Every praise should be given to him because he has exhausted every more palatable choice before introducing this trusteeship legislation. He acted in a forthright manner in all his dealings with those concerned, and I suggest he discharged the duties of the Minister of Labour in an outstanding manner at a time of unprecedented labour problems.

I should like, Mr. Chairman, to say a word or two on the question of the five-year term. The length of time of the appointment of the trusteeship has been criticized to some degree. I too would hope that there would be no necessity for this trusteeship to last a full five years; but I suggest that it is better that the trusteeship be set for the longer period of time, with every hope and expectation that it will be possible to dissolve the trusteeship before that time. Far better to do that than to have to get a further extension, should the situation not improve in a short period. I think the five-year term is an unduly long time, but I think it was set as an outside limit with every hope and expectation that the trusteeship will be concluded long before that time.

I should like to associate myself with the remarks of the hon. member for Burnaby-Coquitlam as regards the personnel to make up the trustees. I think they should be chosen with great care. I think they should be men who have had a thorough knowledge both of management and of labour. If we follow this trusteeship with legislation making our unions less attractive prey for gangster elements, then a great service will have been done the nation.

Mr. Bell: Mr. Chairman, I wonder if I could ask a question of the last speaker. Did the hon. member put the same energy and excitement into the Nova Scotia election as he did into his speech—

Some hon. Members: Oh, oh.

Mr. Bell: —and would he have expected the same result—

The Chairman: Order, please.

Mr. Regan: Mr. Chairman—

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

Mr. Speaker: It being five o'clock p.m. the house will now proceed to the consideration of private members' business as listed on today's order paper, namely public bills.

Mr. Olson: Mr. Speaker, on a point of order, I wonder whether I might request unanimous consent to ask the committee which has been sitting to carry on with the resolution which was before it, and to suspend private members' hour for today.

Mr. Speaker: The hon. member for Medicine Hat has requested that the five o'clock rule be suspended and that the debate which was taking place before five o'clock be continued. To do that would require the unanimous consent of the house. Does the house give unanimous consent?

Some hon. Members: Agreed.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): We readily agree to the putting aside of private members' business, in order to carry on with the present debate, but we cannot miss this opportunity to assert, once again, that our debates would be more in order if all the rights and privileges of the members of the house were duly recognized.

[*Text*]

Mr. Speaker: Does the house give unanimous consent or not?

Some hon. Members: Agreed.

Mr. Peters: Before unanimous consent is given I should like to point out that we have been doing this on a number of occasions and while I do not intend to object today I think that the reasons put forward on some occasions for waiving and disregarding the rights of private members are not sufficient. I think that in the future great caution should be exercised in asking for this consideration.

Mr. Speaker: I thank the hon. member and I am sure the point was listened to with great interest. It is a very good point. Does the house give unanimous consent?

Some hon. Members: Agreed.

MARITIME TRANSPORTATION UNIONS

PROVISION FOR MANAGEMENT AND CONTROL BY TRUSTEES

The house resumed consideration in committee of the following resolution—Mr. MacEachen—Mr. Lamoureux in the chair:

That it is expedient to introduce a measure to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees; to provide for the establishment of the board of trustees of the maritime transportation unions consisting of a chairman and two other members; to provide for the payment of their remuneration and expenses and to authorize the employment and remuneration of such personnel as may be necessary for the carrying out of the duties and powers of the trustees under the said measure.

Mr. Regan: Mr. Chairman, I believe I had the floor to answer a question at five o'clock. I had been asked a question and I had not answered it.

An hon. Member: Sit down.

The Chairman: Order. It is my understanding that the hon. member had relinquished the floor and it was after he had relinquished the floor that I called it five o'clock. Would the hon. member kindly resume his seat. I appreciate that he would like to reply to the question that was posed to him by the hon. member for Saint John-Albert. The Chair did not think that the question was pertinent and I do not think it should be replied to.

Mr. Olson: Mr. Chairman, I should like to support the need for government action, extraordinary action to deal with an extraordinary situation. The problem of the Canadian seamen manning the ships on the great lakes has had public attention focused on it many times during the past 20 years. I think the sorry situation we have to deal with today is one that could have been avoided. However, I suppose it is easy to be wise in retrospect.

I do not intend, Mr. Chairman, to review all of the rivalry between the various seamen's unions because this rivalry, this raiding and what may even be termed war between the various seamen's unions, has been spelled out rather well in the Norris report. Furthermore, it has been discussed by many members preceding me in the debate.

I believe that setting up a trusteeship is one of the first essential steps that will be necessary to deal with a situation that has been festering for all these years. But, Mr. Chairman, I am also convinced that unless the government and particularly the Department of Justice are prepared to enforce the law of the land, even this trusteeship will fail in its desired objective. Had there been reasonably strict enforcement of the law of the land, those laws that give protection to life, liberty and freedom of individuals as Canadian citizens, whether they be engaged in the maritime shipping industry or any other occupation, the situation we have to deal with now would not have developed.

The Minister of Labour, in his opening remarks when introducing the resolution, stated that the government waited; that is to say, they delayed bringing in this bill to give an opportunity for some kind of interunion arrangement, which might have been a solution preferable to action by parliament providing for a public trusteeship. We may be able to agree that some delay was justified for that purpose, but I cannot agree that any delay is justified in enforcing those laws that are necessary to protect all Canadian citizens from intimidation and beatings or which are designed to preserve human dignity.

I should like to ask the Minister of Labour and the Minister of Justice for an explanation why the law enforcement officers of this country have not been ordered to take appropriate action when there is official testimony contained in the Norris report that Canadian citizens have been attacked, have been beaten and have been intimidated repeatedly. I could refer to a lot of documents, statements in the press and statements by various labour unions that have drawn to the attention of the government and the law enforcement agencies that this has been going on. We have repeatedly asked the Minister of Justice what he is prepared to do about it, but even as late as this afternoon he told us he is still studying an interim report which he has.

From the issue of *Maclean's* magazine of May 18 last I should like to quote the following:

A man who wants to sail on a Canadian lakeship faces more than the domination Banks exerts

through ROC cards and other weapons within his own union. He faces the chance, if the joins the Canadian Maritime Union, the only other union that is now open to him, of getting his head beaten in. Witness after witness at the Norris commission testified about terrible beatings. One of them appeared on the stand in August still wearing a cast from a beating suffered in April. At least one appeared still woozy. Some of them had been beaten by as as many as seven men. Some had been struck by baseball bats. One had been nearly killed on his own front lawn. The victims included women.

As Norris himself said after only 12 days of testimony: "Without at all at this time deciding who is responsible for these attacks, these cowardly attacks, it is very difficult for me to understand how in this state of our so-called civilization things of this sort could happen in Canada. We have heard, day after day, witnesses coming here and telling us of these most cowardly attacks. That is why I referred to them as a pack of jackals."

The magazine article continues:

In all the 107 days of hearings, no one ever proved that the beatings were inflicted by the S.I.U. Certainly Banks, the central figure, was never even accused of being directly involved.

This is the most important sentence, Mr. Chairman.

Yet all the victims of the beatings had one thing in common: they opposed the S.I.U.

I do not want to take the time now but I should like to refer hon. members, if they have not already read it, to the evidence contained in the schedules that were submitted by Mr. Justice Norris. Schedule 31 gives details of the beatings, and the interesting thing is that in the right hand column of the schedule which indicates the action taken, if any, there is very little indication that the law enforcement officers tried to protect these people from these attacks, nor did they try to apprehend the people who were doing the attacking. So, Mr. Chairman, as I have said before, I think that the enforcement of the law, whether or not we set up a trusteeship, is by far the most important aspect. I believe that the main reason this situation has deteriorated to the point it has today is the lack of law enforcement. I want to emphasize that law enforcement to protect Canadian citizens against this kind of treatment is not confined to seamen's unions or to the difficulties connected with labour unions. It is, rather, a universal right of all citizens, whether they be part of the labour union movement or not.

Indeed, the right of a citizen to protection from this kind of lawlessness by the full strength of the law enforcement agencies is spelled out in some Canadian statutes. I refer, for example, to the bill of rights, which is an act of this parliament. We all know, Mr. Chairman, it was one of the favourite pieces of legislation of the right hon. Leader of the Opposition when he was prime minister. I should like to quote from this statute:

It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,—

I am not going to refer to all of them, but I should like to refer to two that are applicable to this situation. Paragraph (b) reads as follows:

(b) The right of the individual to equality before the law and the protection of the law;

Paragraph (e) reads as follows:

(e) Freedom of assembly and association;

Now, Mr. Chairman, it seems to me it is obvious that there has been flagrant and open violation of these laws. What is more, Mr. Chairman, there is an international law to which Canada has subscribed and which also guarantees protection of our citizens. I refer, for example, to article 23 of the United Nations charter which reads as follows:

Everyone has the right to work, to free choice of employment, to just and favourable conditions of work, and to protection against unemployment.

Article 20 reads:

Everyone has the right to freedom of peaceful assembly and association.

The next sentence reads:

No one may be compelled to belong to an association.

I suggest to you, Mr. Chairman, that all of this lawlessness that has taken place under that tyrant, and the organization that he heads, has been a violation of these laws, international laws and national laws, to which the Canadian government is committed. If there is a problem as to whether it is up to the provinces to enforce these laws, then we must recognize that new laws must be written and, furthermore, that perhaps there needs to be a redefinition of responsibility. Unless and until the government is prepared to enforce the laws that protect citizens against intimidation, no matter what provisions are written into this trusteeship legislation it will fail to remove the tyranny and lawlessness from the waterfront and on the great lakes.

Mr. Herridge: Mr. Chairman, the introduction of this precedent-making resolution is, in my opinion, a dark brushstroke on the canvas of Canadian parliamentary history. This resolution can be correctly described as a chickens-coming-home-to-roost resolution, in view of our knowledge of the past. This is a sad story and a sordid passage in Canadian labour history, and is the result of most unfortunate co-operation some years ago between the government, the shipping companies and certain labour leaders to destroy

a Canadian union, an independent Canadian union, by bringing into Canada Harold Chamberlain Banks.

The government of the day condoned great irregularities when it permitted Harold Banks to remain in Canada with knowledge that, on the application form he completed, certain questions included in the usual form given to immigrants were omitted. The labour leaders involved undertook to provide this unusual co-operation, without the knowledge or consent of the rank and file of the labour movement in Canada. I am sure they regret that on this occasion.

In view of the fact, Mr. Chairman, that my attitude towards this resolution is somewhat different from that of the majority of my colleagues I must explain that in our party all questions of importance are discussed in caucus and decided by majority vote. However, we have a long-standing practice that if a member cannot conscientiously accept the decision of the majority, he has the right and freedom to express his views in the house and in the country. It is a tradition and practice of the party to which I belong that has been demonstrated on numerous occasions. No doubt many will remember that the late and greatly respected J. S. Woodsworth voted against the decision of the national council in respect of the second world war. His decision was respected. Later, when Mr. M. J. Coldwell was national and parliamentary leader, he opposed the decision of the national convention and the national council, as well as the caucus, by voting for German rearmament on conscientious grounds. I trust, Mr. Chairman, it will be clearly understood that the views I express on this issue and on this resolution are my personal views.

However, I have evidence, and I am quite confident, that they are supported by thousands of trade unionists in Canada. I have evidence also that they are supported by persons who are concerned about other aspects of this question. I must say that all of us are concerned. This matter has caused a great deal of concern to the members of the group to which I belong. Their decision was not lightly made and members of this group have made their decision according to their best judgment.

Now, Mr. Chairman, in view of the history-making aspect of this question and the need for the widest understanding of the issues involved, I propose to give a brief historical outline of the developments culminating in this unfortunate situation which caused the government to introduce this legislation. Let me emphasize, first of all, that the seeds of the present crisis were sown as far back as 1944. At that time the most important maritime union in Canada was the Canadian seaman's union. It was an affiliate of the trades and labour congress of Canada. The S.I.U. had a small membership on the Pacific coast at that time. The American Federation of Labour, at its 1944 convention, gave jurisdiction over seamen and fishermen to the S.I.U. and brought influence to bear on the C.L.C. to discontinue recognition of the C.S.U. This lead to a serious division within the C.L.C. to which you will notice Mr. Justice Norris refers in his report.

At the same time the C.S.U. retained its jurisdiction. In 1946, the C.S.U. initiated a strike on lake shipping, mostly concerning the hours of work issue. The shipping industry was still under wartime control but, with the exception of two companies, it accepted the union's demands. During this period of government control, agreements were reached between the union and the shipping companies which provided for a government conducted vote on union certification. The union received an overwhelming vote of confidence from the employees and entered into agreements with the companies concerned, and here is the commencement of the breakdown of proper trade union relations and responsibilities, in Canada.

Regardless of these agreements which were signed by the union, Colonial Steamships Limited and Canadian steamship lines refused to honour their contracts and entered into agreements with a union formed by Mr. Pat Sullivan, known as the Canadian lakes seamen's union.

As a consequence of the refusal of these two companies there was an inquiry instituted. An industrial inquiry commission was established, and reported at length on this unusual situation and this first instance of these companies failing to recognize contracts and assume their responsibilities. I quote briefly from the report of that commission:

> —the failure to negotiate, the substitution of a new union and the assertion by the company—

—that is, Canadian steamships limited—

> —of the right to refuse to negotiate because of its objection to alleged political opinions, are contrary to accepted practices and the law as it has heretofore been followed. We feel, too, that in the result injustice has been done to the rank and file of the Canadian seamen's union.

Anyone who has read Mr. Justice Norris' report will note at one place he makes reference to a similar sort of situation. This is when violence developed between the C.S.U. and the C.L.S.U. in the summer of 1948. Shortly afterwards, Mr. Pat Sullivan was dropped as president of the C.L.S.U. and the union was quickly merged with the S.I.U.

Maritime Transportation Unions

In the early spring of 1949 representatives of the shipping companies and prominent trade union officials requested Mr. Harry Lundeberg of the United States, international president of the S.I.U., to provide a leader for the S.I.U. in Canada. They went to the United States for a leader, and here is the second reason for these difficulties. Mr. Justice Norris' report clearly outlines Mr. Banks' history in Canada since his arrival.

The final destruction of the independent Canadian seamen's union was as a result of action by the Canada labour relations board in 1959 which revoked the union's certification with one company because, as the board stated, "being communist dominated it was no longer a trade union". This is where the board got on very sticky ground.

Strangely enough, in 1959 the Canada labour relations board, the same board, rejected the claim that communist affiliation or domination was a sound reason for decertification of an otherwise properly operated union. The fact of the matter is that the government, the companies and the union leaders concerned wished to get rid of the C.S.U. and replace it with the seafarers' international union, and the result of their success can be found in the pages of Mr. Justice Norris' report.

First of all, they wished to obey the wishes of the S.I.U. to give these seamen to the United States union's jurisdiction, and second, some of them used the pretext that some of the leadership were communists. Let me say without any hesitation that any man in public life whose chief stock in trade is anti-communism, and with little else behind it, will support any form of dictatorship when he gets in a corner.

As I have said, the result of their success can be found in the pages of Mr. Justice Norris' report and also in the disappearance of Canadian ships from the high seas. There is no doubt a relationship between these two incidents.

Before proceeding further I wish to give full credit to the officers and members of two exceptions, must share some responsibility for developing the hysteria and political smokescreen that surrounded the activities of Mr. Banks in Canada. The only daily paper I know of that opposed Banks irregular importation was the Victoria *Colonist,* and the only other papers I know of that editorially attacked Banks for his day to day activities were the *Globe and Mail* and the Toronto *Telegram.* These last two were promptly sued for libel, and Banks was able to collect $3,000 damages as a result of a decision of the Supreme Court of Canada because his so-called good character had been somewhat tarnished.

All this was going on while the government smiled benignly and the police stood by inactive. At one period I had 25 seamen, most of them fellows who had served during the second world war in the Canadian merchant fleet and the Royal Canadian Navy, in my office to protest against the frightening state of affairs which existed, but they could not get a hearing in those days. One could hardly get a hearing in this house, and certainly the press did nothing to inform the public of this unfortunate state of affairs. At that time the newspapers in general lauded Mr. Banks' version of democracy at work, and as I say, so far as I can remember there were only these few papers which took a stand.

Before proceeding I want to deal with an interesting editorial entitled "Newshawks Goofed on Banks Scandal" which appeared in the July 18 issue of the *Northern Daily News* published in Kirkland Lake, Ontario.

An hon. Member: What year?

Mr. Herridge: This year. It states:

> Mr. Justice Norris' stern indictment of the seafarers' international union regime on the great lakes marks a long overdue judgment.
>
> In fact it has been overdue since the day S.I.U. boss Hal Banks first stepped across the border with his thugs to take over control of jobs on Canadian ships.
>
> At this point one can be permitted a little sardonic laughter at the virtuous tone being adopted by Canadian authorities and newspapers as they hasten to step in line behind the Norris report of skullduggery on the lakes.
>
> Because authorities, police and particularly the country's newspapers, stood solidly behind the importation of Banks to this country and hurrahed almost to a man while his goon squads beat up legitimate Canadian seamen and forced them off the nation's ships—
>
> So what's the story now?
>
> Excluding great lakes vessels, instead of 100 ships there were at last count, two deep sea freighters under Canadian registry. The trained seamen are long since dispersed and forgotten, including the ones who risked death to transport supplies and fuel across the wartime Atlantic.
>
> Can't blame Banks for all this, but it's a coincidence.

Before proceeding further I wish to give full credit to the officers and members of the Canadian brotherhood of railway transport and general workers and the national association of marine engineers, and of other unions, as a valiant band of trade unionists fighting under most difficult circumstances to restore democracy in the operation of maritime unions. These men deserve a great deal of credit. They did not get much encouragement to start with, and we all owe them a debt of gratitude. Because of their

courage and persistence they were mainly responsible for the Norris inquiry, with its shocking revelations of the rotten fruits that have ripened from the seeds that were sown in 1949. There is where the trouble started. Without a doubt, Mr. Chairman, there is a growing demand among trade unionists for more autonomy and control of their own affairs. I can tell that from mixing up with trade unionists. When I want to find out what labour is thinking, I meet with the rank and file. I am only a simple old backwoodsman, but I go around and speak to these people; I address them at their meetings. They always receive me cordially, especially when I tell them that I have never enjoyed the net income of a village plumber, or something of that sort. Therefore they realize we have a great deal in common. These are the people I talk to. I talked to the unions in my constituency about this matter when I went home. I have addressed them about this. I addressed them, in fact, with one Scottish labour M.P. just before I came to Ottawa. He was actually horrified at the suggestion of a trusteeship over Canadian trade unions. But then they have a different situation over there; Britain is a unitary state and they have not experienced these international problems, and gangsterism. Anyway, Mr. Chairman, without a doubt there is a growing demand among Canadian trade unionists for more autonomy and control of their own affairs. While promoting the spirit of fraternity with all democratic labour organizations, they wish to be master in their own house.

I want to illustrate this development, and I rejoice in it. I have had a hand in it. In my constituency the workers in the Castlegar pulp mill became members of the paper workers union something over three years ago. They decided at the end of the contract, at the end of two years, that they were not getting satisfactory service, so they had a vote. With the exception of three or four employees, some hundreds of men voted to join the Canadian section of the international union of pulp and sulphite workers. What was the result of that? They were acceptable to the C.L.C. at that time. The international president of the pulp and sulphite workers union was compelled by Mr. George Meany to return a charter issued to the workers in the Celgar Corporation which, as I said before, had been accepted by the C.L.C. Mr. Meany ordered that the papermakers had jurisdiction over this plant and said that this matter had been decided in Washington. As a result today, I am proud to say, they have local No. 1 of a Canadian pulp and sulphite union and three or four other pulp mills in British Columbia have followed their example.

In the very near future they are about to form the national union of Canadian pulp and sulphite workers. I give that as an illustration of this outcropping of a desire for more autonomy. Mind you, they want fraternity, co-operation and things of that sort. This sort of action on the part of leaders in the United States only promotes and develops the desire for autonomy.

I wish to bring to the committee's attention another document which I have here in my hand. It is an agreement drafted, but not signed as yet, between the B.C. hydro authority and an organization known as the Columbia Hydro Contractors Limited. This draft agreement is intended to cover all the workers who will be employed in the erection of dams, the construction of generating facilities and transmission facilities on the Columbia river, should that development go ahead. This draft agreement is not the result of a consultation with Canadian citizens. This agreement, covering years of work that may be undertaken by Canadian workers, was drafted as the result of a meeting between the officials of the British Columbia hydro authority and Mr. Keenan, an A.F. of L. official of the building trades section in Washington. You have no idea what a storm this is creating among some of our Canadian trade unionists. This draft agreement establishes conditions under which Canadian workers will obtain employment on government projects on the Columbia before a man is ever hired on the job or work is commenced.

An hon. Member: How is this relevant?

Mr. Herridge: You will find out as I go along. I am also informed—I got this from a well known Canadian trade unionist—that all senior Canadian trade union officials who wish to function as members of executive boards of international unions—that is, the international executive in the United States —have to sign United States Taft-Hartley affidavits. I obtained that information from an official; I have no personal knowledge of it.

Surely the issue of Canadian sovereign rights and the sovereignty of the Canadian parliament was offended when a Canadian minister had to go to Washington to deal primarily and firstly with this question, and when Mr. Claude Jodoin, president of the C.L.C., travelling to Washington on the same mission was met with what amounted almost to abuse from certain United States union leaders.

Everyone knows my attitude to Mr. Banks. We have never been a bit chummy throughout the years. I have never been a guest in his house. He has never taken any moving pictures of me either, to my knowledge. But he has had literature distributed around my riding because of my statements about him in the house. He had one of his men go up to my constituency and spend two weeks going to people all over the place, to little stores, Legion branches, trade union headquarters, and so on. This literature was distributed everywhere with the headline, "Kootenay West mortified by C.C.F. M.P." and then it went on to tell about all the untruths I had told in the house about his violence, ruthlessness and so on. Who has been proven correct, Mr. Banks or the member for Kootenay West? Hon. members can understand that we are not exactly in love with one another, so they must not think that any of my reservations with respect to this legislation are a result of any affection for Mr. Banks or any of his ilk.

I fully appreciate the deep concern of all hon. members of this house in their efforts to find a solution of this unfortunate and unusual situation. However, I must say that I cannot agree with the principle of this resolution for several reasons. I have given this a lot of thought. I am a chap who is inclined to listen to what other people say. I was brought up in a very democratic home where there was a tremendous respect for the rights of the individual. My old father used to defend the revolutionaries, the members of the I.W.W., when they came to speak in our district. Men came whom people wanted to toss in the lake, and that sort of thing. On one occasion a meeting was to be addressed by a Mr. Stirling. He was going to speak on the coming social revolution. He was a member of the legislature later. The meeting was to be held in a small village. The board of trade arranged for a group of first world war veterans in 1919 to go down to the boat to throw him into the lake. He could have gone on, but if he got off he was to be thrown into the lake. My father rushed down to the wharf. He went down there with his whiskers drooping down, like the characters you see on the stage on occasion. He went up to these men and broke up the gathering. He said, "This country has been established on British democratic principles and under British democratic institutions, and this man has the right to talk all the bloody rot he wishes provided he is not rude to Her Majesty and does not abuse the law of the land".

I have tried to live in that way ever since. That is why I get into trouble at times. I go to meetings that I should not go to and I address other forbidden meetings. I do this in the Hyde park tradition which gives every man an opportunity to say what he thinks as long as he remains within the law. This background and belief causes me to give this legislation a great deal of thought. I respect the views of those who do not agree with me. I am sure there is no one who is happy about this situation. But I cannot agree with the principle of this resolution which proposes to establish a trusteeship over the unions for five years without there being any mention of the companies concerned. I agree with what our leader had to say about that. Why establish a trusteeship over the unions without bringing the companies, which have been guilty in many respects under the same jurisdiction and control? I know it is possible, since shipping comes under the jurisdiction of the national government, for the government to draft legislation which would provide for some supervision over these steamship companies.

Second, I am of the opinion that the legislation contemplated will provoke and increase international incidents both at government level and at international union level. I was interested in the speech made by the hon. member for Halifax. I wish to congratulate him; I thought he made an excellent contribution to this debate. He had some doubts about the wisdom of the course we are following. He said the legislation might fail. I am of the opinion that it will bring about serious complications on the international scene.

My third reason for objecting to this legislation is that a large section of the rank and file of the organized labour movement in Canada is opposed to it. I do think the truth should have been given to these people far earlier; there should have been an opportunity for a further discussion on this whole situation. Fourth, I oppose this measure on the ground that it completely overlooks and underestimates the democratic strength and understanding of the Canadian labour movement and its ability to mobilize the support of the rank and file. I think this is a great opportunity for labour to act, first, in defence of Canadian sovereign rights, second, in the defence of democratic principles and institutions and, third, in the development of the complete control of Canadian unions by Canadians for Canadians, operated in the Canadian way.

I have given this subject some thought. It is not easy for me to differ from my colleagues, because I am a sensitive soul. But I do urge the government, as did the leader of our party, to give consideration to the reduction of the period of trusteeship and to incorporate in this legislation provision for

the supervision of the companies directly concerned. With this brief outline of my views, I will conclude. It is my intention to outline some alternative proposals on the second reading of the bill.

Mr. Belanger: Mr. Chairman, I do not want to take much of the time of the committee to discuss the resolution before us. However, I am interested in it for two reasons: first because I am a member of the house, and second, because I had the opportunity for several years of my life to hold positions in labour movements, that is I was president of labour locals for a number of years. So I am well aware of the justification for labour unions.

I know that labour unions were born because of a great need, the need for workers to protect themselves against employers who went too far and were unfair to them in many ways. Hence it was employers who compelled the workers to unite in order to obtain together what they could not obtain separately. That was a very good reason to set up unions.

It was also the best means for workers to defend themselves, but on one condition: once established, those unions should be free, have their autonomy and the most complete freedom for workers to use their rights and establish their own rules, provided of course the rules are in accordance with the law of the land.

That is why I have always been and still am in favour of a very great freedom for unions.

Obviously, it is a privilege of democracies that people be their own rulers, that workers and professional people control their own business, and together try to find the best ways to achieve the highest possible degree of welfare.

But liberty and freedom do not mean licence. There are limits to these words. If I understand them correctly, they mean the right to choose as long as the use of a right does not interfere with the liberty of others. That is exactly what is going on now in the seamen's unions whose actions, with their possible disastrous effects we are now discussing. What I mean is that those people, at a certain time, acted somewhat like employers did in the past.

Workers have been forced to unite against employers because of injustice committed by the latter, but this freedom to unite does not now give workers the right to be unjust toward the rest of society outside their unions.

That is why I am not far from approving the measure introduced now by the government, precisely because I am against the abuse of freedom which has been committed, if I may say so, in such a glaring way by the presidents of the seamen's unions, especially the S.I.U.

The situation which we have to deplore at the present time has not developed overnight, but gradually, due to several causes, and I think one of them rests on the fact that we have for too long been allowing our unions to Americanize.

I realize that at the beginning, it was quite difficult for Canadian unions to organize and to administer themselves, but now that we have become an adult nation, I think it is high time that workers, if they want to be the masters of the situation in their own country and not be forced to obey orders coming from outside the country, should unite and realize that our unions must not be international unions any more, but Canadian unions. And that is only one reason among thousands of others.

That we are right in our contention, and we deplore it at the present time, is quite obvious in the seafarers' unions. And it is not a unique case in Canada.

There are other fields where the same situation is brewing. The government should not wait until it is too late before acting, otherwise we shall be faced with the same situation in railway unions.

There again, those unions are under American control.

The same thing exists in the field of entertainment. I should like to read part of a letter from one of my constituents dealing precisely with this matter:

> I am not too familiar with labour matters, but there is a field that I know comparatively well, that is show business, more particularly variety entertainment. I can assure you, sir, that in the last ten years or so, French-Canadian artists had to pay over one quarter million dollars, that is about $25,000 a year, to a foreign organization called "The American Guild of Variety Artists" (AGVA), which has its headquarters in New York and a branch in Montreal.

The Chairman: May I ask the hon. member how and to what extent he can relate his remarks to the resolution now under discussion?

Mr. Beaule: Mr. Chairman, the hon. member for Charlevoix raised a point, namely the control of Canadian unions by outside people.

Mr. Belanger: The relation between the point I am trying to make and the resolution now before the house is that disturbances are going on at present in another Montreal union which is entirely under the control of Americans. I wish to prove that it is not the only organization where such a situation exists.

Now, those $250,000 sent to New York were paid by French-Canadian artists who performed in French, in the province of Quebec, such as Jean Duceppe, Doris Lussier, Denise Filiatrault, Michel Louvain, etc. That organization with an office in Montreal has no legal recognition as required under the law.

Mr. Paul: Mr. Chairman, may I be allowed to remind you of standing order 59 which states that a member must keep his remarks relevant to the issue under discussion.

I submit that the hon. member for Charlevoix, when he starts making a speech on international unions, does not comply with that standing order. He is talking about radio and T.V. artists.

Mr. Lachance: In my opinion, the members of this committee must not create problems.

We are at present considering a specific situation. The hon. member for Charlevoix should limit his remarks to the resolution and not deal with a problem in a latent state.

The Chairman: Further to the remarks of both hon. members, I should like to remind the hon. member for Charlevoix of the second paragraph of standing order 59 which reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under discussion.

In other words, the contribution to the debate must be strictly relevant to the resolution or item under consideration.

Since his attempted analogy is over, he should revert to the subject under discussion and keep his remarks strictly relevant.

Mr. Belanger: Thank you, Mr. Chairman.

I find it most unfortunate that some members who are citizens not only of the city of Montreal but of the province of Quebec, dislike the mere mention of the dangers which threaten our province at the present time or of any suggestions to prevent trouble.

Mr. Paul: Mr. Chairman, I rise on a point of order. It is not a question of determining whether hon. members like or dislike what may be happening in another field. The important point is to do constructive work and that is why both the hon. member for Jeanne-Mance (Mr. Lachance) and I rose on a point of order.

The Chairman: Order. I feel the question has been settled and the hon. member for Charlevoix may continue with his speech.

Mr. Belanger: Mr. Chairman, I was just trying to point out what is wrong with unions at present. I was saying that the government should try to convince our union members not by force but by every possible means of persuasion, to organize themselves on their own, so that they may understand that they are citizens of an adult country which can look after its own affairs without any foreign assistance, contrary to what is happening now within the seamen's union. In fact, if the latter had been under Canadian leadership, we would probably not have to deplore the unfortunate situation we have at present.

Mr. Chairman, I am in favour of what the government proposes to do by this resolution, but I am afraid of the aftermath precisely because I advocate the freedom of unions, as I said at the outset.

Of course, the precedent that the government is going to create should not be used as an excuse to interfere in every labour dispute. In fact, this legislation should remain in force no longer than necessary.

Mr. Beaule: Mr. Chairman, I should like to say a few words about this legislation, but I would not want to be blamed for delaying its passing.

The resolution under consideration is one that I am reluctant to support because the right of association is a sacred one, and the workers have the right to join a union which is the best way to present their claims through collective bargaining.

The selection of a union is a personal right. Workers are entitled to choose the union which will assure them the best working conditions, that is marginal benefits and a decent salary.

In the case in hand, that is to say the case of the S.I.U., the government was obliged to step in, after the investigation of Mr. Justice Norris had shed light on certain unsavoury facts.

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 8 p.m.

[*Translation*]

Mr. Beaule: As I was saying, Mr. Chairman, when I pointed out that it was six o'clock, in the present case, that of the S.I.U. the government is compelled to act on account of the abuses disclosed by the Norris investigation.

Hal Banks came to Canada for the sole purpose, in co-operation with some shipping companies, of violating and breaking existent collective agreements as well as using any available means to destroy other unions and thus consolidate his own position.

We also know that there were some irregularities in connection with hiring, pension

funds, etc. The Norris report clearly indicates that the situation will not be settled on the great lakes as long as Banks remains at the head of the S.I.U.

It is with reluctance that we must resort to legislation. But, all the same, this legislation is a little better than the lawlessness prevailing at present.

I hope that the minister will give us an idea of the people he intends to appoint to this board. He shall have to act very carefully, because one of its members will necessarily have to mix with workers in order to find the best way of helping them to regain control of their union.

If the trusteeship is administered properly, it will ensure the future of the labour movement, but if the reverse happens because of bad appointments, the future of the S.I.U. will remain very doubtful.

One has only to read the Norris report about the strife on the great lakes to realize that labour legislation is in an alarming situation.

I know that all those conflicts between unions should open our eyes wider and lead us to ask ourselves if the time has not come for the government to set up a commission of inquiry on union activities in Canada and especially those of American unions in our country. That does not mean that unions are not good, but some union leaders should be put in their place.

Such a commission would enable the government and especially the Department of Labour to tackle the job of providing the labour movement with a federal code, a code which should be prepared with the co-operation of the unions, the provinces and representatives of industry, so that we may not be faced again with a situation such as the one which forced the government to put the S.I.U. under trusteeship.

I know that when we come to problems involving the workers and union activities in particular, we must take all the necessary precautions to avoid disputes between governments and trade unions. But if, for a number of years, the government had not accepted the abuses of some union leaders and if it had taken a stand, with positive action defining clearly its role towards the unions, we would not have today to take compulsory measures against union members. We have no choice. We must take the necessary means to ensure peace and security on the great lakes.

However, a government trusteeship has some good points: first, it will be useful to get rid of Banks and his gang; then it will promote a closer watch on collective bargaining, thereby ensuring that the union members regain control over their unions.

I support this legislation because it will allow Canadians to regain control of their business; but this does not mean that by passing that legislation all problems will be solved.

I hope nevertheless that all this will be a lesson to the government and, as I said earlier, the setting up of a commission of inquiry on union activities in Canada and especially those of American unions in our country would permit us to get a labour code in order to give Canadian workers the security and justice to which they are entitled.

[*Text*]

Mr. Peters: Mr. Chairman, I think it is most unfortunate that Canada has reached the state where it is going to have to impose compulsory trusteeship on a number of unions. I believe this is not only a reflection on the Canada labour relations board and the other agencies set up to project the workers and to allow them free association in the great union movement but there has also been a complete failure of the legal procedures available to the average citizen to correct things that have nothing whatsoever to do with unionism. I think this is a very sad state of affairs, particularly when today we hear compulsory arbitration and trusteeship being referred to by some members and being given somewhat the same kind of support.

There is no need to go into the history of Banks. I called him a gangster many years ago in this house. I know he has a number of henchmen who are completely dependant upon him and who have made it possible for him to maintain his position. I do not know, and I am not even going to hazard a guess, whether a trusteeship will correct this situation or will not, but I think it is generally understood that throughout the world the free trade union movement is destroyed initially by the implementation of trusteeship and compulsory abitration. I mention them both because it would appear that if any difficulty should arise in the labour movement in the near future one or the other is going to be recommended by every reactionary employer in the country. I hasten to add that I do not think this will happen with the present Minister of Labour, nor would it have with the previous minister of labour. I think these two gentlemen have done a very good job in administering the operation of the acts which are their responsibility. I think it is very foolish for the Canadian public to be given the impression that they did not do all that was within their power to solve the problem as they saw it. I feel that this is all they have to do, and that they have done it.

There are improvements that must be made in our laws in order to make the settlement of many of these problems easier. This may mean that we shall have to take a look at some of the things that have caused this matter to reach the stage it has. One of these things is the hiring hall, Mr. Chairman. If you were to eliminate the hiring hall you would probably eliminate a great many of the problems facing this particular union, as well as other unions that are in almost the same category.

This afternoon the house was made aware of the fact that there is a union in the process of negotiating a contract in the Columbia river area in connection with the building of a dam that we have not considered yet. I do not believe anyone is in a position of knowing who the principals are going to be in connection with that construction. I believe, therefore, this whole problem is being repeated there and also must be faced. I do not believe the way to face it is the establishment of a trusteeship, because this will be a crutch on which the people in the labour movement, management and many others will lean, especially if we make it a popular and acceptable thing. Many totalitarian countries throughout the world have used similar methods to destroy the free trade union movement. I think most rank and file trade union members are violently opposed to trusteeship in any form. Certainly, they must be opposed to legislative trusteeship because, for many of them, this eliminates any democratic rights they may have.

Now, Mr. Chairman, what was the real reason for the recommendation of Mr. Justice Norris to take over five unions rather than one? I ask this question. Would it not have been better if this one union were to be taken over? This would still allow the workers along the seaway and the great lakes to join another union of their choice in that field. Nothing wrong was found in connection with these unions, and yet they have been asked to go into trusteeship voluntarily, along with the union in which we are trying to correct the problem. I ask, is this being fair to the membership of these unions? Most of them have had no opportunity of deciding for themselves whether or not they want to accept voluntary trusteeship. Is this the price the labour movement in general is going to have to pay for the next four or five years to get peace on the great lakes? Has justice reached the stage where Banks cannot be removed in any other way than the application of a trusteeship?

I have had something to do with unions in the past, and have had something to do with communist dominated unions. We found that in those unions you had two or three communists, or a half dozen at the outside, per 100 members, and yet they were able, in many cases, to dominate the union. When the other 95 out of 100 members decided to stand on their two feet and fight back, then usually what we are trying to accomplish here was accomplished by the working people themselves. It is for this reason I say the labour relations act itself must be overhauled. Obviously, this type of machinery is not available to the workers on the great lakes, and particularly those who have been made captives by the S.I.U. We are all aware of the abuses that have been made of certain procedures, such as the hiring halls, "do not ship" lists, the accumulation of vast sums of money through the operation of pension plans, and vacations with pay plans, which have been improperly administered. I wonder if there are not many other forms of assistance that could be given in this field without the imposition of trusteeship?

Now, Mr. Chairman, we have heard of the fact that the S.I.U. is a bad union. In my opinion, a bad union really does not exist because it has bad leadership alone. It is bad because it has bad leadership in conjunction with bad management. Unless a deal could have been worked out between Mr. Banks and the personnel agents of Canada Steamship Lines, no deal would have been made. Because these two people were evil in character, the deal they made was bad. However, I believe it is obvious to everyone that there was another deal made by a union on the great lakes in which the company cooperated with the union in making this type of arrangement, but it was not bad because of the people that were involved. I suggest that if we had the legal machinery, we would have been able to ask for a report from Mr. Robinette and Mr. Martineau, which would have indicated in all probability a course of action for the solution of this problem by due process of law.

Many people have spoken on this subject. There have been some good speakers from all parts of the house. However, I do not believe I stand alone in opposing trusteeship. I believe most people who have had anything to do with unions know that trusteeship is highly undesirable if it is put into effect in any way, shape or form, but probably the worst form is through the introduction of legislation. Trusteeship by government takes away the rights of the workers. Often a union has to be put under trusteeship because of the inability of the membership to look after their affairs, but when somebody else does this the situation becomes even worse. Has the committee really considered what this

trusteeship is going to accomplish? Have they really considered what the results of this are going to be? Anyone supporting this legislation who thinks it is going to be an immediate success should really consider all the implications.

I have no objection to the Canadian Labour Congress going to some of the officials of the United States government and requesting assistance, because certainly the United States government has come up against this problem that we are facing. The United States government has tried everything possible to dispose of Mr. Hoffa, but every time they do something to him they make him that much stronger. I wonder if we have really considered this matter? I presume the trusteeship legislation will go through because there appears to be no alternative. I am not in a position, Mr. Chairman, to offer any alternative. However, I believe the committee would be well advised to seriously consider the possibility of an alternative. I would think that the house would have been very wise to call the industrial relations committee of this house together to try to find some solution. Other countries have found solutions for this type of problem. I believe many of the members have failed to look towards tomorrow to see what the results of this action are going to be.

I am not saying that a government trusteeship imposed on unions will mean the repeal of the Rush-Bagot treaty, but I am just asking the committee to remember what happened when a Canadian ship was sent down into Chicago to ascertain what the climate would be. That ship has now limped back into Canadian territory and another one has been dispatched in its stead. I only hope we do not have to send down a front line frigate to protect the second ship. It may be a good experiment, but I do not see why this shipping company should keep a ship at Chicago when there are many cargoes to be obtained in other areas. This will be in the history of Canadian shipping when the government sets up a marine corps.

Have hon. members really thought about it? I know the labour movement in the United States is very much opposed to what is happening here as is, in the main, the Canadian labour movement. If the two movements are as strongly opposed to it as they appear to be, then this is not going to be an end to the strike on the great lakes. It will only be the beginning.

We should consider the problem fully, because the international free trade union movement stretches across the world, and we have to consider the possibility of a boycott when we endeavour to get rid of five or six people by means of trusteeship. We may even have to apply martial law in order to get rid of them; but no matter what the circumstances, we may have to face the problem of delay to Canadian ships operated by government imposed trusteeship.

Have we really thought of all the alternatives? I am not suggesting I know them all, but I do know this is not a solution that is acceptable to many trade unionists throughout Canada. Indeed it is not generally acceptable to trade unionists throughout the world. Although the minister is to be congratulated on all the avenues he has explored so far, I do believe trusteeship is not the answer.

We will get the Canadian trade union movement into a very difficult predicament by proposing legislative trusteeship. I am not familiar with the full situation in Montreal today regarding the longshoremen's strike, but the union involved is a responsible one. It has gone through due process of law. It has asked the federal government for mediation, and this has been provided in the person of a judge. However, I am shocked to see that already hon. members have stood up in this house and talked about compulsory arbitration for this union because it is causing some discomfort in parts of Canada. This is true, and looking at the over-all picture it may have many ramifications; but hon. members should consider the position of the longshoremen who have negotiated through the normal channels of law, who have asked for mediation, and who now find that the general public and many members of parliament are crying for their scalps before they, the workers, have concluded the mediation process.

It would be less than reasonable if the longshoremen did not pick a time to negotiate when the shipping season was at its height. I see nothing wrong in what has happened to date in that situation, but because of gangsterism and the low character of many of those in high places in the S.I.U., the general public is inclined to lump many labour problems into the one basket.

I am not prepared to support compulsory trusteeship. I would certainly be the first to admit something has to be done about this particular problem. Its existence has been known for several years, and for a long time we have been saying Hal Banks was a gangster and should be deported or eliminated from the Canadian labour movement. We should ask ourselves why, through due process of law, in a democratic country and in a democratic manner in the operations of a democratic trade union movement we have not been able, in a judicial manner, to clean up this unholy mess which has brought us to the sad state of affairs we face tonight.

[*Translation*]

Mr. Lessard (Lake St. John): Mr. Chairman, in taking part in this discussion tonight, I am most conscious of the difficulties and problems parliament is facing at the present time in connection with the establishment of a trusteeship for the maritime unions on the great lakes.

Since I am a worker myself and since I have contributed to the establishment of a union, some may think that in contributing to this debate I may be biased; but, Mr. Chairman, we are undertaking today the consideration of a resolution which, in my opinion, has no precedent in the labour history of Canada.

This proposal of the government to establish a trusteeship over the various maritime and stevedores unions on the great lakes and along the St. Lawrence raises many points of principle which we should study with the utmost care.

This legislation for the establishment of a trusteeship is, I am sure, a precedent and that is why we must try to find as clearly as possible the reasons why the government was led to introduce this measure so that, in future years, we may not have to rely on the government or any trusteeship legislation to settle problems which should be settled within the ranks of the labour unions.

This decision results from the unions helplessness in solving a serious problem in the administration of the union concerned as shown by the royal commission appointed in July 1962.

This investigation proved beyond any reasonable doubt that the allegations of the Canadian Labour Congress to the effect that terror and gangsterism have ruled over these unions, among which the seafarers' union, and that the government had therefore an obligation to intervene, first to safeguard the economic interests of Canada and its good name abroad. Second—and this is not the least important reason—to preserve also the rights of the workers and to free them from a reign of terror which kept them in an atmosphere of continuous fear, while their dues were put to dishonest use.

I think the situation we are now facing shows clearly the degree of vigilance the workers must exercise in watching over their interest so they will not be tricked.

Having been exploited for a long time by heartless employers and enterprises, they united and had to fight relentlessly, and it is only after tremendous sacrifices that they were recognized and respected. But nowadays, they have to face other enemies who have infiltrated their ranks so as to take advantage of the structures and the strength they built and use them for their own illegitimate purposes.

It will be said that loss of control over their union by members is due to the fact that those unions have become too big, too powerful, too complex in their administration and that there, as elsewhere, centralization has prevented the members from retaining contact with their leaders and the management.

I admit that this is one of the causes of the troubles we are now going through. But why do we need those powerful and centralized unions if not to fight against large industrial trusts?

A few decades ago, we had small employers but the situation has changed and, nowadays, we have colossal industrial empires grouping the best administrative brains, assisted by almost every banking and financial system in this country, and even outside.

Mr. Chairman, giants must be opposed by giants and so the conflict resulting from their confrontation inevitably jeopardizes the very basis of our economy and the society in which we live.

Yesterday, I heard the hon. member for Red Deer (Mr. Thompson) suggest that the government refer to a parliamentary committee the problem of amending the country's labour legislation which allowed a situation like that of the great lakes seafarers to develop. I wholeheartedly support this proposal, but I would add that it is just as urgent to review also the legislation providing for the incorporation of companies and the setting up of industrial empires and trusts, in order to eliminate the serious abuses it allows.

Let us consider the part played by the Canada Steamship Lines as mentioned by Mr. Justice Norris in his report.

If we are permitted to judge Mr. Hal Banks severely, I think we must come to the conclusion that those who co-operated with him in that company must also be judged.

They claim that they were forced to act that way, but I am not so sure. If that is the case, they had means available to make the situation known and to ask that an investigation be made.

And what about the part played by the government in this matter? Is it not the government that amended the citizenship and immigration legislation, especially to allow the permanent admission of Hal Banks to Canada?

What about Mr. Jodoin, president of the C.L.C., who strongly endorsed the application of Mr. Banks? However, he admitted having made a mistake, and since he too is a giant in a certain sense, he rightly said that he makes enormous mistakes.

What part was played by American interests in this matter?

The present situation shows, more than ever, the urgent need for all our country's organizations to become autonomous.

Dominated by American unions, dominated by American industries, dominated by American policies, dominated by American defence, the situation is almost hopeless.

And those who listened to the news tonight, heard that the American secretary of labour, as well as president Meany, today declared themselves violently opposed to the setting up of the present trusteeship by the Canadian government. They especially blamed the president of the Canadian Labour Congress, Mr. Jodoin, and accused him of being the first responsible for this legislation which will soon be put into effect.

Mr. Chairman, I think that we have here further convincing evidence of American interference in a field which belongs to us alone. And I urge the government to reply and request the Americans to stay in their own field, because if we are faced today with that problem, it originated with them. Indeed, if they had opposed in time the lawlessness which prevailed in some American labour organizations, that gangsterism would not have been imported into Canada.

Mr. Chairman, the government intends to impose upon the unions concerned a trusteeship of no longer than five years. I hope it will not take that long to settle the problem.

Three people will be entrusted with the delicate and serious task. I am happy to see that four or five of the unions in question have already accepted the trusteeship. That undoubtedly proves that the legislation under consideration has already been endorsed by those who are mainly concerned and we must proceed not only with haste but with extreme care.

Yesterday, the hon. member for Burnaby-Coquitlam (Mr. Douglas) made a statement which I found rather strange, coming as it did from the leader of a party which advocates strong government control over our national economy.

In fact, as reported on page 3380 of the English version of *Hansard* for October 9, 1963, he said:

> Naturally public trusteeship is unpalatable.

Mr. Chairman, these words sound wrong coming from the leader of the New Democratic party. The same words were repeated this afternoon, this time by the hon. member for Winnipeg North (Mr. Orlikow), who opposed rather strongly, while making important reserves, the establishment of this trusteeship. He stated that he would accept it as a makeshift.

Mr. Chairman, circumstances may, at a given time, force or justify the government to take action concerning a labour movement. In such a case, I believe we ought to accept that measure on a temporary basis.

Now, if the followers of a certain socialistic philosophy claim that the government has the power, the greatest capacity, the only authority and competency to administer the economy and the industry of this country, they should, I believe, also recognize to that government the right to put some order into the affairs of certain labour unions, if the members have lost control.

Mr. Chairman, I believe that we ought to call the attention of the general public to this point, so as not to stir up the workers who could see in such a measure some kind of infringement on their liberty. In fact, should anyone conclude that the enactment of this legislation is tantamount to a loss of freedom, then I believe that freedom no longer exists.

When there is disorder, dishonesty, and no longer any possibility for an organization to amend itself, then in my opinion, it is our duty not to criticize the government but to second it, to make to that government suggestions concerning the legislation presently introduced.

The government was very reluctant to take such a step and to some extent I believe it was right, since this state of affairs is altogether unusual. We all hope that one of the results of such trusteeship—and I particularly stress this point—will be to give our unions a true Canadian make-up so that they may be administered by Canadians.

Mr. Chairman, there is also the fact that the contributions of our Canadian workers are being exported to a foreign country through certain labour unions. If we are faced with those problems, it is not only the workers who are to blame; we should also try to find the origin and the cause of those problems.

The powerful Canadian unions, which are now controlled by Americans, came to Canada from the United States at the time when American industries first became established in our country. I think that this was done in order to interfere with a policy followed at a certain time by some American companies which, by setting up branches in various countries, tried to prevent the development of labour unions.

In this connection, I remember a case in particular. If my memory is correct, it concerns the Singer company which manufactures sewing machines and which in order to check the development of the labour movement and deny its right and fair demands has built plants throughout the world, plants

which it used to rotate its production from one country to another. Thus, as soon as unions became strong enough in a country, by rotating its production, the company has been in a position to check the labour movement.

Nevertheless, it seems that Providence has avenged the workers since that company by its dealings has forgotten its original purpose and has since been outstripped by its competitors.

Canadian workers are powerful because we have strong industries.

If, by means of a trusteeship, we want to eliminate some serious faults that we find in the labour unions in Canada, we as well as the government itself will probably have to see to it that American companies become themselves Canadian companies, so that the government does not have to suffer the same indignity its ministers suffered recently when they had to deal with some American officials. In fact, five ministers of the Canadian government, supposedly independent and sovereign, had to meet some American officials and ask them permission to increase the production of automotive parts in Canada; and what did they get? A firm refusal, a definite no.

An hon. Member: Shame.

Mr. Lessard (Lake St. John): Mr. Chairman, that fully illustrates the seriousness of the problem with which we are faced now. It does not concern only workers' unions; it has become a general cancer which affects our industry and the whole of our economy.

I feel that the present legislation may be a partial solution. I hope it will open the eyes of the parties concerned and that the latter will not wait until the public authorities are forced to impose solutions before they take action.

American owners of industries situated in Canada will have to realize that they are working against our democratic regime by their present behavior. Canada cannot keep on being a satellite of the United States and all of us must stress this fact.

It is quite out of the question for us to quarrel with the Americans in this connection. But I think that if they respect the autonomy of some South American, Caribbean, African and European nations, they should first of all respect the autonomy of their main ally and next door neighbour, Canada.

I believe that if Canada and the United States get together to iron out those problems which are not only Canadian problems but international problems, we can, not under any coercion, but in a great spirit of justice, resolve the difficulties facing the nation at the present time.

I should also like to emphasize that the French fact is practically ignored by American unions in Canada. I wish to point out that particular aspect in order to show that the problem is very complex. I trust that when control over Canadian unions reverts to Canada now that the English speaking Canadians increasingly realize the advantages of recognizing both cultures in Canada, our Canadian unions, from Vancouver to Halifax, in their negotiations and in their relations with the French Canadian group, will manage to display comprehension and especially justice for that group. This, Mr. Chairman, is not a plea for sympathy but simply an appeal to reason and to common sense.

I also wish to call the attention of the house to another problem which I think is closely related to the one now under consideration, that is the strike which has been going on for several days in seaports along the St. Lawrence seaway in the province of Quebec. This is of particular concern to us in Quebec. I heard that we might have to impose compulsory arbitration. That would amount to an act of despair.

I am of the opinion, Mr. Chairman, that if we were to review all legislation concerning unions and collective bargaining, we would find that to be the source of the problems facing the government in its relations with labour.

It is rather important to note that, each year, in the province of Quebec alone, thousands of collective agreements are signed for which workers did not have to go on strike. To my mind, that shows that workers recognize they have more to gain by negotiating objectively and by respecting the rights and privileges of each and every one than by going on strike indiscriminately. It is also an indication, Mr. Chairman, that legislation now in force in the province of Quebec is better suited than the one now to be found in the federal statutes to solve that problem.

We find that the federal government's area of operation in the field of labour is not very large—

[*Text*]

The Deputy Chairman: Order. I regret I must interrupt the hon. member for Lake St. John; the time allotted to him has expired.

Mr. Turner: Mr. Chairman, I rise tonight because I am a little suspicious of the unanimity—

Some hon. Members: Order.

Mr. MacInnis: Mr. Chairman—

The Deputy Chairman: Order. I called on the hon. member for St. Lawrence-St. George. The hon. member for Cape Breton South will be next.

Mr. MacInnis: On a point of order, Mr. Chairman; at roughly 4.30 this afternoon I approached the Chair and arranged to speak on this particular resolution. Following that I was called to the defence committee in order to establish a quorum, and that can be easily verified. Upon returning after the supper recess I find that one of two things has happened in this house. Either the government has given official recognition to both wings of the Social Credit party or it is discriminating. When I arrived back in the house a Social Credit member was speaking. Then a New Democratic party member spoke, followed again by another Social Crediter. I say that one of two things has happened this evening; either the government has given recognition to both wings of this party, or the discrimination that went on this afternoon is continuing this evening.

The Deputy Chairman: If the hon. member for Cape Breton South feels that the Chair has been unfair to him, then I apologize. The order of debate I had when I came into the chamber was that the hon. member for Quebec East would speak, followed by the hon. member for Timiskaming, and then I had no one until the hon. member for Lake St. John asked if he could speak next. That made three members to my left. I have now recognized the hon. member for St. Lawrence-St. George on my right.

Mr. Turner: Mr. Chairman, in order to save a little time I would be willing to relinquish the floor.

The Deputy Chairman: I shall be very pleased to recognize the hon. member for Cape Breton South next.

Mr. MacInnis: On a question of privilege, it is not a question of when I can say something, because there has been so much repetition in the discussion of this resolution that I do not suppose that I would be able to say much without repeating a lot of what has been said. But what I do want to say to the Chair is this: Am I now being told that the arrangement I made at the table this afternoon about four or four thirty is not noted at the table, and you are now informing me that I did not make those arrangements?

Some hon. Members: Sit down.

The Deputy Chairman: No, I am not informing the hon. gentleman that those arrangements were not made. I am informing him of the order in which I have seen the speakers, according to the information given here.

Mr. MacInnis: You had better get back and check your list.

The Deputy Chairman: The hon. member for St. Lawrence-St. George.

Mr. Turner: Mr. Chairman, in pursuance with your order I will continue my speech although I was willing to yield. However, if the hon. member opposite can contain his patience, I will try not to be too repetitious and we can wait for his originality in about ten minutes.

Mr. MacInnis: I also spend week ends here too.

Mr. Turner: I was speaking about the happy unanimity of the house in connection with this resolution, and I hope that the accident of two members rising at the same time has been forgiven. However, there has been a certain blindness arising from this unanimity, I suggest, and perhaps the committee. as the hon. member for Timiskaming suggested, has not looked carefully enough into the future consequences of this trusteeship. I say that for this reason. The Minister of Labour has exercised, through his versatility and courage, every virtue he could be expected to exercise in this role. He has explored every opportunity. He has probed the basis of a possible private trusteeship. He has tried to negotiate with every possible party to the dispute, and only as a last alternative is he presenting to the house legislation to create a public trusteeship which, repugnant though it may be, has met with the support of every party and every group in this house. So we have a resolution with public opinion behind it. The committee is unanimously behind it, and in the days which follow I think the minister will be entitled to call on the support of the house to implement this trusteeship if it runs into heavy weather, as I believe it is bound to do.

I suggest, Mr. Chairman, two reasons why the public trusteeship will encounter difficult times. The first is that a public trusteeship cannot work unless it has the support of the members of the union or unions over which the trusteeship is imposed. I think no better example of that can be cited than the history of the monitorship over the teamsters union in the United States where, in terms of the ultimate vote, Mr. Hoffa retained the support, and the overwhelming support of the union. No matter how the vote was garnered he retained the ultimate support of the union, and against that support of the union the monitorship appointed by the courts was

powerless. In decision after decision they were forced to yield power, control and jurisdiction over the teamsters back again to Mr. Hoffa. I come from Montreal and have had some experience of the waterfront there. Not being as innocent perhaps as some members, I have met Mr. Banks and dealt with him across the table.

An hon. Member: Oh, his picked friend.

Mr. Turner: No, I was not invited to those flashy evenings that Mr. Banks seems to sponsor, but I can tell you I have met him over the cold varnish of the bargaining table.

Mr. Nielsen: Or under the table.

Mr. Turner: What I want to suggest is that so far as I can gather, and this opinion is shared by many who have experience on the waterfront in Montreal, Mr. Banks still has considerable support among the rank and file of his own union because, whatever else may be said, under his leadership the average worker, the average stevedore, the average seaman, has enjoyed an improved standard of living which has blinded him to the lack of democracy in his own union. Because of the subtle propaganda and the subtle yellow journalism used by Mr. Banks and S.I.U., the average member of that union conceives of a trusteeship as something evil that is to be imposed on him.

I suggest to the house that the remedy of a public trusteeship will be difficult and can be rendered impotent unless the real cancer, Mr. Banks, is operated on. Unless he is removed by legal process from the direction of that union, unless he is removed from the country, the trusteeship cannot be as effective as I am sure every member of the house wants it to be.

The second point I wish to bring to the attention of hon. members is that this public trusteeship, because of the negotiations that have preceded it, is going to prompt a certain tension on the lakes between the American and the Canadian authorities. It already has. The statement tonight by Mr. George Meany will, I am sure, prompt every Canadian union member, every Canadian worker, to wonder whether or not at last he should not have control over his own affairs. If this public trusteeship is the result of anything, it is due primarily to the lack of co-operation of the trade union movement in the United States to help to implement on the Canadian side of the border a private trusteeship such as was sought by the Minister of Labour and those who were negotiating on his behalf. So because of the nature of commerce on the great lakes, which is international, we do have a problem of tension on the lakes that this public trusteeship will not solve, but may provoke.

I say this to you, Mr. Chairman, because of the difficulties of a trusteeship over the membership and because these men are not yet convinced of the necessity for it, and because a trusteeship is inherently repugnant to the average workingman just as it is repugnant to most of us. In addition, because it is going to breed tension between the United States and Canada, it will be a difficult piece of legislation to implement.

I would call upon all members of the house to support this legislation with the same unanimity tomorrow with which they support it tonight, because I think we are convinced tonight that the trusteeship proposed in this resolution is the only remaining alternative. It is not the best type of solution we would want but it is the only reasonable alternative. Surely, Mr. Chairman, memories will hark back to the reasons that have been advanced by all parties tonight so that, when the trusteeship is at the stage where it must be implemented, the government and the minister will have the same unanimous support from the House of Commons that they have received this evening.

Mr. MacInnis: Mr. Chairman, to begin with I indicated when I was putting forward a point of order before that it would be very difficult to be original and I do not suppose I will be. However, the last speaker has given me the opportunity to say that I have at least one thing to say that is original. There is not the unanimous support about which he speaks, and I think that is original enough to take care of his statement about being original.

The government under the sponsorship of the Minister of Labour has brought forward the resolution preceding the legislation for one purpose, to clear up the situation on the lakes. It is designed to bring in a trusteeship which is to be given authority to expel the union bosses, and those members of the union executive who may be closely enough associated with Mr. Banks that they should go with him. To me, Mr. Chairman, this is the long way, this is the expensive way to deal with this matter. I cannot understand why the government has not resorted to deportation, or whatever you want to call it, from this country of Mr. Harold Banks. Recalling what the Secretary of State said this afternoon, namely that it could be done directly, I cannot understand why the government does not have the courage to get rid of Mr. Banks, just as they had the courage to bring him in here to do exactly what he is doing today—fight other unions. He was brought in for

that purpose and he is now being put out of office for the same reason; so why not put him out of the country?

I fully agree with the recommendation of a trusteeship in the Norris commission report. For reasons of my own I cannot refer to the Norris commission report this evening, but if my memory serves me right there is another recommendation on page 311 of that report. Some questions have been asked the Minister of Justice in the house as recently as this afternoon involving one approach which, if followed through, would provide us with the answer, I think, to the trouble brought on us by Mr. Banks. It would not be a matter of deporting him, because I believe what Mr. Justice Norris had to say in that regard.

The deportation of Hal Banks is not going to solve this problem in any way, shape or form. However, if the prosecutions that the Norris commission report also recommends were followed through and if the courts in Quebec and Ontario were to press these matters, it is quite possible that Mr. Banks might wind up where he belongs—behind bars—where he would do nobody any harm.

It is very interesting to me to listen to the speeches from different parts of the house, especially from the far left. This evening one member speaking on behalf of the New Democratic party continually said that that party had referred to Mr. Banks as a gangster. I can stand here and say that I used the word "gangster" with regard to Mr. Banks in the house some years ago and, as I recall, only one member of that party, the hon. member for Kootenay West, consistently spoke against Mr. Banks. I do not recall any others. In fact, when I was condemning Mr. Banks and the type of union he was running I myself was condemned for doing so on many occasions.

I have taken a stand where necessary against union leaders, and this does not apply only to the S.I.U. It strikes me as very strange that some members should get up and complain about something the previous government did not do. I would remind each and every one of them that when the former minister of labour and the former government were called upon by the Canadian Labour Congress, the former government set up the Norris commission. But can you imagine what would have happened if that government had tried to move in and impose a trusteeship at that time upon unions that were having their problems within the Canadian Labour Congress or, if not within the congress, then among themselves? They were trying to settle something among themselves. Can you imagine what repercussions there would have been if any government had stepped in at a time like that and tried to impose any kind of legislation on them?

An hon. Member: All they had to do was enforce the law.

Mr. Regan: Will the hon. member permit a question?

Mr. MacInnis: Yes, in about 20 minutes. It is a well known fact that when members of this house were criticizing the activities of Mr. Banks a few years ago, none other than Claude Jodoin, the president of the Canadian Labour Congress, came to his defence in the courts and said that he would make a valuable citizen. I have reason to believe that today the same Mr. Jodoin would like to back away from the position he has taken. I say this strictly on my own and I could be entirely wrong. However, I have reason to believe that the Canadian Labour Congress regrets this hasty action. I believe that the union men can see far enough ahead, and in this I agree with the last speaker, to realize that ridding the S.I.U. of Mr. Banks is not going to help the situation. I think it will be a case of going from the frying pan into the fire, as has been indicated by the last press release by the United States. We can look forward to a lot of trouble in United States ports.

Now, this whole situation developed, first of all, because two unions could not get along. They fought for the right to represent the seamen on the lakes. Then, from there we step up into another category, and we find that the Canadian Labour Congress cannot reach an agreement with the A.F.L.-C.I.O. Then, we have one more step, Mr. Chairman, and that is the step to government. We find that the Canadian government cannot reach an agreement with the United States government. I believe that the two governments should get together. Everyone in the house has said this is a responsibility of government, and the government should do this or that. I believe it is now the responsibility of both governments to get together and assure one another that if this trusteeship legislation is put into effect, Canadian ships will receive proper service and proper protection while they are in United States ports and vice versa. I believe this is the responsibility of the two governments.

I do not believe there has been a speaker, at least from the opposition parties, who has not said that he feels this is a government responsibility. Many of them have said it was a responsibility of the former government. Nevertheless, it is still the responsibility of this government. They talk about trusteeship. The Canadian people gave them a trusteeship to run this country, and yet the government is now asking some individual citizens to take

upon themselves the responsibility of the trusteeship. I say set it up within your own cabinet; show some leadership.

Some hon. Members: Oh, oh.

Mr. MacInnis: You can laugh; go ahead and laugh. You laughed this afternoon, but you are not going to laugh me off the floor of this house. I say it is the responsibility of this government to get together with the United States government in order to ensure that Canadian ships will get proper protection and service while in United States ports. Only then is a trusteeship of any kind going to work. I do say to the government that there is no reason this trusteeship cannot be set up within parliament itself, from within the government ranks. This would be the best way for the government to keep an eye on what is happening. If this is not done, questions will be asked in the house from time to time about what the trustees are doing in relation to cleaning up the union, and ministers will be saying, "I expect a report on that in a few days, and I will advise the house later." This will go on for weeks and months. As the leader of the N.D.P. said, the government proposes a five-year term in order to get this union cleaned up. The same hon. member said that this was almost like giving the trustees an absolute dictatorship.

Now, if you cut the period back from five years to two years or even one year, that same description applies. Why does this government feel duty bound to put the responsibility on three private citizens if this legislation goes through? It is the government's responsibility. The first step in connection with that responsibility is on the road to Washington. They are the great friends of the United States. They are the ones who were going to bring this country back to its proper level in international affairs. Let them go down to Washington now and reach an agreement with Mr. Wirtz, if they are duty bound to put in this trusteeship, so that Canadians will receive the proper protection. I think this is properly the first step to take. Before the government imposes any responsibility on others, let them get their own business done.

One thing that surprised me was that everybody talked about a solution. When I was listening to the different speakers and heard everyone say he was against trusteeship but would have to support it, I was surprised no one thought of another solution. This is all nonsense. As long as there are any blameless members of the S.I.U., they should not suffer for the sins of Hal Banks and his executive officers. The last speaker referred to Mr. Banks getting the support of his union. He said, don't you realize how this support is gathered in from all around the country? As I said a number of years ago, I know the gangsters. I am not standing up in this house to take credit for what somebody else did. Again, I refer to the fact that while we were doing this there were individuals who were clearly criticizing us. At the same time, as I say, Mr. Claude Jodoin of the Canadian Labour Congress was standing up on behalf of Mr. Banks before the immigration committee. Then, too, a former C.C.F. member in this house championed Mr. Banks' cause as legal counsel. This was done by a member of that party which is closely associated with the Canadian Labour Congress.

I have belonged to unions for many years. I have union support. I can get down there and understand the feelings of the union men as well as anybody else in the house. I tell you this, gentlemen, the trouble with our labour unions and labour congresses in this country is that there are too many professional men, and the union membership does not have a chance to voice its opinions. They have, in Mr. Banks, a professional. He is a professional import. There are many other professionals in unions throughout this country. These are the same professionals who, years ago, stood hand in hand with the same Mr. Banks whose scalp they are now after.

Let us return to that solution I mentioned and which I was surprised was not suggested by the N.D.P. They have said they are against the trusteeship, but they have to go along with the government in principle. However, I fully agree with the leader of the N.D.P. when he said that there was another party equally to blame in this affair. What about the steamship lines, the executives of these companies? They are just as responsible for this situation today as the union men. Is the government just going to slap their wrists for being naughty and, at the same time, condemn the unions and the union men who may have been blameless? Why does the government not go after Mr. Banks? You do not have to impose a trusteeship on every man in the country to accomplish that. I refer again to the words of the Secretary of State when he said it could be done directly. Why does the government not go after these steamship companies and slap them around, as I hope they will do with Mr. Banks?

Let me return now to this solution that I was surprised no one mentioned. This is where the N.D.P. surprised me. Apparently this plank is missing from their platform now. I thought they were going to make the suggestion that since we were taking over the unions under trusteeship, they would advocate that the steamship lines should be nationalized along with the unions. This was another way they could once again have got back at

the shipping companies for their part in the fiasco which is taking place today.

When hon. members opposite talk about unanimous support I do not intend at any time to stand here and allow a speaker, especially in another part of the house, to speak for the whole house, particularly when I have no intention of supporting something that is going to be imposed on the labouring man, and something which is being imposed upon him because of a gangster dominated union. I say to the government, deal with the problem directly rather than through this long and expensive route to reach the same end.

I could be wrong, but I am quite sure I heard the Secretary of State say this afternoon that it could be done directly. If so, let the government have the courage to do it. Let the members of the government pack their bags, go down to Washington, and ensure that we get the protection we need.

Mr. Regan: Will the hon. member permit my question now?

Mr. MacInnis: Yes.

Mr. Regan: Inasmuch as the hon. member was very original in his speech, and if it is so simple to get rid of Banks, why did the former administration bother to appoint the Norris commission? Why did it not just get rid of Banks?

Mr. MacInnis: I covered that very simply in my opening remarks. I said that at that time the unions themselves were struggling for power on the lakes, and no government could move into such a situation.

Mr. Regan: Oh.

Mr. MacInnis: You say "oh." I will tell you why it was not done. The government acted when it got the request from the Canadian Labour Congress to set up a commission to look into this matter. It acted immediately upon getting that request. Now, I did not say it was a simple matter. I referred to the remarks of the Secretary of State who said it could be done directly.

Mr. Knowles: Mr. Chairman, it was not my intention to take part in this debate, and my intervention at this point will be brief. Although I feel very strongly about some of the things to which I shall refer, I shall keep quite cool. In fact I think that is something we are going to have to do in this field of labour relations, particularly in the labour relations between this country and the United States in the months and years that lie ahead.

I shall not repeat the elements of our position that have been expressed so effectively by the leader of this group, the hon. member for Burnaby-Coquitlam, and later by the hon. member for Winnipeg North. There is no question but that we stand, as does the trade union movement of this country, against the principle of government trusteeships over free trade unions.

Surely it is clear, however, that what we are faced with now is not the problem of dealing with a free trade union but the problem of dealing with a gangster outfit in a situation where there is no alternative but to bring in the force of law. In so far as, for a limited period of time, a trusteeship is being imposed upon four other unions, which have been declared by Mr. Justice Norris to have a clean bill of health, let it be quite clear that those unions have indicated their willingness to have this trusteeship placed on them, in order that the mess on the great lakes might be cleared up.

However, as has already been said by others of this group, the one feature in this legislation that we feel should be changed—and which we hope will be changed before it goes through all its stages—is the provision for the trusteeship to last for five years.

We feel that this job can, and must be done, in a much shorter period, and it would be far better to have the legislation provide for the trusteeship to last for two years or three years at the most. If the government would like to amend the bill by providing that at the end of that period it could be extended by resolution of both houses of parliament, rather than going through all the stages of the bill again, perhaps that would be appropriate and might be considered. However, apart from making that point, I do not wish to repeat what has been said by those who have already spoken for this group.

Rather, I felt that from this corner of the house something should be said tonight to express our regret at the two statements which have come out of Washington today, the statement of Mr. George Meany, president of the A.F.L.-C.I.O., and the statement of secretary of labour Wirtz. As a matter of fact Mr. Jodoin, president of the Canadian Labour Congress, has already issued a statement in reply to what these two gentlemen have said, and I am in complete agreement with what Mr. Jodoin has said.

So far as Mr. Meany's comments are concerned, I go along with Mr. Jodoin's generosity to Mr. Meany in suggesting that he must not have all the facts in his possession and must not know what is going on in Canada, or he could not possibly come to the defence of Hal Banks and his S.I.U. as though he were defending a free union.

When Mr. Meany complains about the C.L.C. going along with government action to

deal with a matter of this kind, it is a bit strange that coincidental with his press release there is a release by secretary of labour Wirtz that suggests there is almost an understanding, if not something stronger, between Mr. Meany and the United States department of labour. I find this inconsistent with the position he has taken with regard to the decision made by the Canadian Labour Congress.

I also agree with Mr. Jodoin in his remarks about what secretary of labour Wirtz has done by way of releasing information about the private negotiations that went on, the negotiations that did not succeed. Surely it is the height of indiscretion for a cabinet minister in another country to reveal afterwards what some of those private negotiations were. In all probability he has not told the whole of the story. In all probability there are other aspects of that story that should be told by the C.L.C.; but when this sort of thing goes on it does no good.

As a trade unionist I object very strongly to the statements made today by Mr. Meany and Mr. Wirtz. I know that the officers of the C.L.C. and the executive council of that congress will deal with their counterparts in the United States through the usual channels, to try to get back to a reasonable understanding of these matters; but I call upon the government of Canada, through its usual channels, to take up with Mr. Wirtz his indiscretion in saying the things he has today. These two gentlemen should not be interfering in this Canadian problem. They should be spoken to, Mr. Meany by the Canadian Labour Congress and Mr. Wirtz by the government of this country.

May I make it clear, Mr. Chairman, that the statements made by Mr. Meany and Mr. Wirtz will not in any way change the views of the members of the executive council of the Canadian Labour Congress who, to my knowledge, have wrestled with this problem over many weeks and many years. In fact, Mr. Chairman, I might note that there are people in this chamber who have been denying they ever met Hal Banks, and there are others who have told of their associations with him. I am one of those who has met Hal Banks. I know the kind of person he is. I met him when I was a vice president and a member of the executive council of the Canadian Labour Congress. I am one member on the floor of this house who has voted against Hal Banks. I was a member of the executive council of the Canadian Labour Congress which, after having him before us, after hearing the evidence, expelled him not only from the Canadian Labour Congress but from the house of free labour in Canada. That was done by an executive council of 21 members in 1959, and that executive council today is still a body of 21 members. I ask hon. members to realize that of those 21—I am checking in my memory as I go over the names of them; I know them quite well —not more than four, and I think only three, are members of distinctively Canadian unions. The other 17 or 18 are members of international unions; some of them are high ranking officers in those international unions.

If there is anything to the supposed influence of the United States connection, surely it would reflect itself in the attitudes of these members of the executive council of the Canadian Labour Congress. But no. Despite the fact that they are members of international unions; despite the fact that many of them are high ranking officers in international unions, with their international presidents being Americans, they approach this question from the standpoint of Canadian interests, from the standpoint of the interests of free trade unionism in this country. They have taken their stand as to what should be done to clean up this situation. I know them very well. They are not going to be deflected from the stand they have taken; they are not going to change their decision because of the statements that have been issued today from Washington by Mr. Meany and Mr. Wirtz.

I said I wanted to keep cool about this. I feel pretty strongly about it, because what Mr. Meany has done is not in the best traditions of North American international trade unionism. I was at the founding convention of the Canadian Labour Congress in Toronto in 1956. I was a delegate to it from the Winnipeg local of an international union. I remember Mr. Meany being at that convention. I remember his speech to that convention in which he welcomed wholeheartedly the setting up of a Canadian national labour centre that had within its ranks the great majority of the trade unionists of Canada. He asserted that at that point any residual remains of United States control over aspects of the Canadian trade union movement were to be turned over to the new Canadian Labour Congress. There was established at that point something that was an advance over what had existed in previous years, namely a recognition of equality of the two centres, the A.F.L.-C.I.O. in Washington and the Canadian Labour Congress here in Ottawa.

When Mr. Meany made that statement in 1956, in my view he was speaking in the best traditions of North American international trade unionism. In my view this has to exist. We have to get back to it. I stand here tonight, not shouting at Mr. Meany, not complaining, not condemning him, but pleading with him from my place in this Canadian

House of Commons to leave the solution of this problem to the Canadian trade union movement, to the national unions in Canada and to the Canadian sections of the international trade unions in this country, which have worked well through the years, which will continue to work well.

The sort of thing that has now happened must be straightened out. As I see it, it can be done. The Canadian Labour Congress will, I am sure, play its part in straightening this matter out with Mr. Meany. But the Canadian government has also got to straighten out with Mr. Wirtz what he has done in disclosing the partial information he has released today.

I have already said that I am a member of an international union, the international typographical union, and I have been an officer of the Canadian Labour Congress. I was its executive vice president for four years. I know a little bit about the operations of the trade union movement from the viewpoint of its national centre. Those of us who have been at that level know that Canadian trade unionism has a place for, and needs within its ranks, both kinds of unions, some that are distinctively national and some with their international connections. I recognize that it is very popular today, particularly in the light of the kind of things that are happening, to say, "Let us break all these connections and run everything here in this country". Well, Mr. Chairman, I suggest that if our good relations on the North American continent in other fields are to be upheld—in business, commerce, art, culture, industry and all the rest of it—it is not possible for us to live in complete isolation north of the 49th parallel. We must have our relationships of one kind and another. When you are dealing with huge industries like steel or auto and many others I could name, it just does not make sense to say that our workers in Canada must deal with United States employers through their branch plants in Canada in isolation from their fellow workers south of the line. I think there is a place for both kinds of trade unionism in Canada, national and international. This is part and parcel of the constitution of the Canadian Labour Congress. The C.L.C. was set up on that basis. This has produced strains. There is hardly ever a meeting of the executive council of the Canadian Labour Congress, and there is never a convention of that body, that does not have strains with which to contend in these situations. But it was set up on that basis and it is on that basis that in my view it has to be continued. But it will continue and it will succeed in so far as the international unions are concerned only if the international conventions deal only with matters of policy that are common to the workers in both countries. By the same token, there must be left to the workers in the separate countries complete control of their own affairs.

This is the way the members of the international unions in this country—and please remember that about 65 per cent or 70 per cent of the organized workers in Canada are members of international unions—want it to be, because of the strength it gives to them. But they also know it will work in the long run only, in so far as Canadian affairs are concerned, if these affairs are left to our workers here in Canada. It is on that basis that I am satisfied the executive council of the Canadian Labour Congress made the decision that it made some weeks ago to accept trusteeship as the only alternative. Yet despite the fact that it made the decision some weeks ago, it has wrestled with the proposition; it has tried to find an alternative; it has listened to the suggestions of those who have asked them to consider various alternatives. But they came up with the final decision, in the light of the mess on the lakes, in the light of the gangsterism of Banks, that there is no alternative but to accept this trusteeship, voluntarily accepted by four of the maritime transportation unions but necessarily imposed on the one of which Banks is the head.

Having accepted that, they will give the government their support in seeing that this trusteeship is administered effectively, and they will look, as the hon. member for St. Lawrence-St. George said, for support not only from the government but from all parties in the house, the majority of whom at any rate are in favour of the step that is being taken tonight. So I say that I welcome the idea that there should be more Canadian autonomy over Canadian affairs. This should be true in all aspects of our life, economic, industrial, intellectual, educational, cultural and all the rest. We must have it.

An hon. Member: And military.

Mr. Knowles: Somebody says military; and defence as well. Yes, add those areas also because they are areas in which we have to live. We cannot separate ourselves completely and our relationship must be maintained. It must be maintained in all of these fields,—but I am speaking particularly of the trade union field. If we are going to have international unions and they are to succeed, there has to be mutual respect on both sides. Claude Jodoin and his fellow officers of the executive council of the Canadian Labour Congress must not interfere in policies or problems which are distinctly American. George Meany must not interfere in problems which are definitely

Canadian. This is a Canadian problem. It is a sordid one and we have to deal with it. I think the members of the Canadian Labour Congress and its executive council should be commended for the way they have wrestled with it and for the courageous decisions they have taken in connection with this matter.

I shall not bother to answer some of the charges which have been made in this house tonight and on other occasions against certain of the individuals concerned. Remarks have been made as to the position which Claude Jodoin took a couple of years ago. It was said that a couple of years ago he was defending Hal Banks. I myself was a member of the council four years ago when Claude Jodoin and the others expelled Hal Banks from the congress. As I say, I am not here to answer those allegations. They are answered by the facts. I believe those concerned are to be commended for having accepted this trusteeship, though only because it is absolutely necessary. I am asking tonight for two things. The first is that the government should cut down this five year provision, making it two or three years at the most. If the government wishes, let them make it possible to continue the trusteeship by resolution of both houses. Let it not go on and on automatically. Let us provide that as soon as the mess is cleared up it will be done away with. The situation which has arisen because of these statements from Washington is a serious one. I am fully confident that the officers of the C.L.C. will deal with their counterparts in Washington. I call on this government to deal with its counterpart in Washington, particularly with the issue raised by secretary of labour Wirtz.

Another thing I have to say is this. I regret that so many hon. members have sought to find a relationship between what is happening with regard to the imposition of this trusteeship and the strike on the St. Lawrence by the international longshoremen. I deplore the demands being made on the government for "big stick" action, demands which render no help in the settlement of that dispute. The thing that ought to be said—and this would really help the situation—is that there is not going to be compulsory arbitration. This is the place where a clear statement of that kind ought to be made. The workers are engaged, now, in a legal strike. It is up to the parties concerned to reach a settlement. The government has done its part by providing mediation, and the companies should know that they cannot, simply by dragging their feet, cause a situation where compulsory arbitration will be brought in, simply because of some of the things which have been said by the Leader of the Opposition.

There are five or six outstanding issues. One involves the payment of time and a half for work done on Saturdays. Any employer in this year 1963 who refuses to grant time and a half for work on Saturdays is, surely, in an untenable position. Another thing the workers are demanding—or, at least, they were the last time I was informed—is pay for at least four hours of work when they are called in to work and there is nothing for them to do. This happens under present conditions on the St. Lawrence. Men are called to work at eight in the morning, but if when they get there there is no work for them to do they are sent home without a nickel of pay. The question of the wage rate has been more or less settled, and the men have given their executive officials power to deal with details of the kind I have mentioned. I suggest that what the companies and the shipping federation of Canada need to know is that this parliament believes in its own legislation—that it believes in free collective bargaining, and that parties to a dispute who have gone through the due processes of the law have the right to continue efforts to reach a settlement through mediation without threats of "the big stick" being used. The government, it is true, has not tried to wield a big stick, but the Leader of the Opposition has certainly suggested that it should. This is precisely what should not be done.

The imposition of a trusteeship on a gangster union, agreed to, because it is necessary, by four other unions which have a clean bill of health is a different thing from suggesting that a big stick should be used on a union which has complied with all the processes of the law and which is engaged in a legal strike, according to the Minister of Labour himself. Let us keep these two things separate. Let us go along with the Canadian Labour Congress. Let us cut down the period of time during which it is proposed the trusteeship should continue. Let us do all we can, with cool heads and understanding, to have the best possible relations we can with the United States in the trade union field, as in all others, for this is our only hope on this North American continent.

Mr. Clancy: I should like to ask the hon. member for Winnipeg North Centre a question. Have the president of the Canadian Labour Congress and his senior officials agreed, on their own initiative, or have they been invited by the government, to play as active a part in the current longshoremen's strike as they did two years ago when the railway unions were negotiating new contracts? I should like to point out to the hon. member that all the unions mentioned are, of course, members of the Canadian Labour Congress.

Mr. Knowles: I had the great privilege of being an officer of the Canadian Labour Congress for four years but I am not an officer now and I do not know what goes on between the government and that body. For this reason, I do not know the answer to the hon. member's question. Even if I did, it would not be proper for me to give an answer.

Mr. Starr: It had not been my intention to speak twice in the debate on this resolution. It was our intention that only three members of my party should speak on this occasion and we had hoped that the resolution would have passed through this house last evening.

However, that has not happened. Other hon. members have taken part in the debate on the resolution and in the course of the discussions certain allegations have been made, particularly by the hon. member for Greenwood and the hon. member for Winnipeg North Centre, which oblige me to say a few brief words in respect to them. I hope the committee will allow me to complete my remarks, even if they go a few minutes beyond ten o'clock, so that we may be able to pass the resolution this evening. In any case it is necessary that I make some comments in respect to these allegations.

The hon. member for Kootenay West said this afternoon, if I heard him rightly, that there were certain people in this house who thought at one time that Mr. Banks was a good character. I think a number of these people must have been in the former Liberal government, because they thought so highly of Mr. Banks at that time that they sent him to Geneva, to the I.L.O. conference, to represent the Canadian labour movement.

Mr. MacEachen: May I ask the hon. member a question? Is it not a fact that the representatives sent by workers organizations to the I.L.O. are nominated by workers' organizations, in the same way as employers' representatives are nominated by employers' organizations, and that such nominations are usually accepted by any government?

Mr. Starr: The Minister of Labour has answered his own question. Nominations are sent to the government and the minister of labour approves them. If he did not approve, then that representative would not represent labour. But in this instance the government thought enough of Mr. Banks that they felt that they should approve him as the right type to represent labour in Canada.

The allegation has been made that the government of the day and myself as minister did not perform our duties, and we have been charged with inaction with respect to the signing of two agreements, the agreements with the N.A.M.E. and the S.I.U. I do not mind the charge directed at me personally. After all, I have been in the political arena for some time and during my 11 years in this chamber, of which I am very proud, I have had many allegations made against me. When one is in politics he certainly learns how to take that sort of thing. But I do resent the allegations made against Mr. Bernard Wilson, the industrial relations officer, who is a very capable, sincere and experienced man in the labour department. The labour department is very fortunate to have him in their service; let me say that. He has been visited with the same charge as the government.

Anyone who is familiar with the whole history of the involved affairs of the N.A.M.E. and the S.I.U. knows the terrific confusion which developed because of successive officers of the N.A.M.E. who joined with Mr. Banks, until such time as they broke with him. The whole history of this matter is outlined in the report of Justice Norris, commencing at page 51. The fourth paragraph at page 51 says:

> From the evidence, it appears that in 1954 and 1955 Banks seduced the executive of the great lakes and eastern district of the N.A.M.E.—

Then the whole story of this confusion unfolds itself. All the time this was happening the S.I.U. was an affiliate of the Canadian Labour Congress.

This question was brought before the courts. Action was instituted by the N.A.M.E. in self-protection, but even the courts found it difficult to sort out the status of the N.A.M.E. During this time the Department of Labour and the Canada labour relations board took the position time and time again that the N.A.M.E. was a legally certified bargaining agent for the Canadian labour relations board, and I am sure hon. members know that the Canada labour relations board found that the S.I.U. had gained control of the marine engineers by fraud. Mr. Norris refers to this on page 51, and on, in his report.

As far as my own responsibilities are concerned, I took all possible steps under these conditions to see that the marine engineers were protected. When a strike occurred over this situation I ordered Banks by telegram to get his men to resume work. I said in that telegram that if he wanted to represent the marine engineers he should make a proper application to the Canada labour relations board. Banks did this and several of the applications which he made to that board were rejected as fraud, as I have said. All this time I might point out that he was affiliated with the Canadian Labour Congress. Because of his raiding of the N.A.M.E. he

and his union were thrown out of the Canadian Labour Congress. He was putting the ship owners, by threats and otherwise—

Mr. Douglas: That is no reason to break the law.

Mr. Starr: The Department of Labour told them that it was illegal.

An hon. Member: Why did you not prosecute then?

Mr. Starr: I said that the matter was brought to court by the N.A.M.E., but the situation was so confused that even the court could not make head or tail of it and no action was taken in this regard. From then on the situation built up—

The Chairman: Order. May I suggest to the hon. member that he address the Chair.

Mr. Starr: I am sorry, Mr. Chairman, I was trying to refer this whole situation to the members who made the allegations. From then on, Mr. Chairman, the situation built up until it was possible to launch an investigation. As I pointed out yesterday, any initiative on the part of the government to launch an inquiry into the affairs of a union which was affiliated with the Canadian Labour Congress would have aroused the most terrible attack upon the government by all members of the Canadian Labour Congress. From then on the situation built up to the point where an investigation was made. That step was taken with the full co-operation, knowledge, and at the request of the Canadian Labour Congress, and I felt that that was the proper way to proceed.

The hon. member for St. Lawrence-St. George and the hon. member for Winnipeg North Centre made references to statements which have been issued in Washington by Mr. Wirtz and Mr. Meany. I think it is important in this situation that we keep a cool head, as suggested by the hon. member for Winnipeg North Centre. However, I also think it is important that we put on record the tremendous interference by United States citizens and the United States government in Canadian affairs. When we were the government we were charged with bad relationships with the United States time and again, simply because we stood up for the sovereignty and the right of Canadians. The situation as it now presents itself today shows that the interference from the other side of the border is far greater than ever it was during the five and a half years we were in government. If you want to compare the present relationship of Canada and the United States with the relationship the United States had with the former government, we would be termed bosom pals during the time we were in office.

[Mr. Starr.]

In Washington the United States labour secretary Willard Wirtz said according to a press report:

> Canada-United States negotiations to establish a private trusteeship over Canadian maritime unions collapsed because the Canadian Labour Congress insisted that the proposed three-man trusteeship be composed of two Canadians and one U.S. citizen.

That, Mr. Chairman, is the reason they collapsed. Can you imagine the nerve of Mr. Jodoin of the Canadian Labour Congress asking for two Canadians on that board.

> Wirtz told a press conference that the A.F.L.-C.I.O. had agreed that the proposed trusteeship be composed of one Canadian and one American with the third party to be named by a Canada-U.S. committee of four officials.

That is a matter that affects Canada and Canadian shipping, and the negotiations collapsed because they did not have their way. This press report continues:

> "But the C.L.C. was insisting that the third party would have to be a Canadian", Wirtz said.

I said yesterday that Mr. Wirtz came here to plant the seed of disruption and not to clean up the situation in Canada. Now the cat is out of the bag. That is why he was here and that is why Reynolds, the under secretary of labour, was here following his visit. At the same time the A.F.L.-C.I.O. president, George Meany, issued a statement bitterly attacking the Norris royal commission which had condemned the leadership of the seafarers' international union in Canada. "The S.I.U. deserves the support of all A.F.L.-C.I.O. affiliates in its fight against the destruction of free trade unionism in the Canadian maritime industry", Meany said in opposing the Canadian government's proposal to establish a government trusteeship over the S.I.U. of Canada.

This was the finest hour, Mr. Chairman, of Mr. Jodoin and the Canadian Labour Congress. But I want to point out that this is the same Mr. Meany who in 1953 kicked Mr. Banks' friend, Thomas Gleason, out of the A.F.L.-C.I.O. and at a convention in Philadelphia called him the associate of hoodlums and gangsters. Now he is backing Banks and Gleason.

I want to submit to the house that the Wirtz and Meany statements bring Canada and Canadians to this realization. First, here is an undisguised challenge to Canadian sovereignty. Second, here are American attempts to discredit this parliament and an outright appeal for defiance of its laws. Third, here is a statement designed for outright warfare along the whole maritime front unless wiser and cooler heads prevail, as the member for Winnipeg North Centre pointed

out. Fourth, here is an indictment of this government's indecision and its subservience to Washington.

Mr. Byrne: Who wrote that?

Mr. Starr: I want to point out again that this government has done nothing to cement relationships between Canada and the United States. The Hyannis Port meeting was a nice social affair. Let us get on and pass this resolution.

Resolution reported and concurred in.

Mr. MacEachen thereupon moved for leave to introduce Bill No. C-102, to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees.

Motion agreed to and bill read the first time.

Mr. Speaker: When shall the said bill be read the second time? Next sitting of the house?

Some hon. Members: Now.

Some hon. Members: Next sitting.

Mr. Pickersgill: Next sitting of the house.

Mr. Speaker: Next sitting of the house.

HOUSE OF COMMONS

MEMBERS' TRAVELLING EXPENSES

Mr. Speaker: Before the house adjourns may I ask leave to table an extract from the minutes of a meeting of the commissioners of internal economy held on Thursday, October 3, 1963, with reference to members' travelling expenses.

BUSINESS OF THE HOUSE

Mr. Churchill: Will the house leader inform us as to the business for tomorrow?

Mr. Pickersgill: Tomorrow we will start with the second reading of the bill respecting the trusteeship which has just been given first reading. In the event it is completed during the day we will then take the two bills which the Minister of Northern Affairs and National Resources has been patiently waiting to bring forward since September 30. We will then go on with the resolution stage of the vocational training measure, and if there is any time left during the day we will make a beginning on the estimates of the Minister of Public Works.

Mr. Churchill: If the trusteeship bill does not pass the house tomorrow, is it the intention of the government to ask for a sitting on Saturday to deal with it?

Mr. Pickersgill: As hon. members will have noticed there is a notice in *Votes and Proceedings* which will come up tomorrow. I intend to confer with my colleagues and also with hon. gentlemen opposite and will endeavour as early as I can tomorrow morning to indicate what the government's intentions are. It might be that one can get an indication from hon. members opposite that the business suggested for tomorrow might be dealt with expeditiously. Certainly the government does not desire to ask hon. members to sit on a Saturday if that can be avoided and the public business done.

It being ten minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Friday, October 11, 1963

The house met at 11 a.m.

PRIVILEGE

MR. LAMOUREUX—PARTICIPATION IN VOTES IN HOUSE

[*Translation*]

Mr. Lucien Lamoureux (Stormont): Mr. Speaker, I rise on a question of privilege. In yesterday's edition of the Ottawa *Journal*, Mr. Richard Jackson wrote that I did not take part in two votes of the house since September 30.

Anyone who reads *Hansard* for October 1 will understand quite readily why I abstained from voting at that time, even though I was in the house.

[*Text*]

BUSINESS OF THE HOUSE

STATEMENT BY SECRETARY OF STATE RESPECTING EXTENDED SITTINGS

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I wonder if I might be permitted, before you call the motion standing in my name, to say a brief word about the business of the house. It might be that we would not necessarily deal with the motion after I have said this.

I think all hon. members are aware that the motion was put on the order paper because of the difficult situation in which the country finds itself at the present time. The government realizes that it is an inconvenience with as short notice as this to ask hon. members to sit on Saturday, but I would like to be allowed to remind hon. members that we are in a rather difficult position, particularly with respect to supply. Perhaps it is not altogether realized in the house that ten days of this session will have to be taken up—unless they are foregone and there is no suggestion they should be—with supply motions; and in view of the fact that only one department has been disposed of and another not completely disposed of, I do not think, bearing in mind past practice, that we could reasonably anticipate much less than 20 days on estimates, which makes 30 sitting days.

If we are to get this session finished by the end of the year, which I am sure all hon. members would like to do, this is a fact of life, in addition to which there is some difficult and contentious legislation and some legislation that may not be contentious but still is important and deserves to be seriously debated. This is a problem not just for the government; this is a problem for the whole house.

It had been my thought that perhaps the most satisfactory way of dealing with it would be to have a motion adopted which would give us the power to sit on Saturdays whenever it seemed necessary in order to make progress on the estimates, but I am not going to ask the house to do that without proper notice. We have a very important bill before us which the government and all hon. members have indicated they feel should be disposed of, and we have two other matters that are important in the sense that the elections in the Northwest Territories will be governed by them. But I am wondering whether it might be possible to avoid putting this motion at all provided there was some other way by which hon. members thought adequate progress could be made today. Since I have not had the opportunity for the usual consultations I thought I might put the matter to the house and see whether we might be able to resolve it without the necessity of my moving the motion.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, the difficulties that face the house with regard to the organization of business are pretty well known to hon. members, and what the Secretary of State has said with regard to the estimates is quite correct. We have quite a problem to deal with the estimates. In a year when an election is held it is just inevitable that in that calendar year there is a restricted time for estimates. I made a survey last year and compared four election years. That survey showed clearly that the house either has to shorten the period for the study of estimates or not pass the estimates completely at all.

We are now in that position in this calendar year. The house has to make a decision whether we will telescope the time for estimates or whether we will drift on and not pass them all. I am not going to stir up any political discussion as to what was done last year or anything of that nature, but this is the situation that faces the House of Commons in a year in which an election is held.

I suggest that this particular motion stand so that we will have a little time to consult together and propose various plans for the

allocation of time during the balance of the calendar year. It may be that we can work out something that will be satisfactory.

In so far as today is concerned, if the debate on the bill which is to be the first item of business to come before us is not prolonged, I presume it would then be possible to go on with the other two bills that have been mentioned. I have not had time to consult with the members of our party, but my own preference would be to sit a bit longer today rather than to sit on Saturday. Second, even if we feel that Saturday sittings are necessary I would prefer that consideration of this matter be postponed and that Saturday sittings, if we have to have them, come later in this calendar year.

In conclusion may I just say that I think it would be agreeable to us to sit longer hours today if necessary, rather than reassembling tomorrow.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we recognize the problem that faces the house at the present time, and are quite prepared to co-operate in every reasonable effort to get the business of the house through. We know it is absolutely necessary that adequate time be given to the departmental estimates because this gives individual members an opportunity to deal with their respective problems. We have not had an opportunity of discussing this in our party either, but I believe the suggestion that has been made, that we sit tonight even up to ten o'clock if necessary, will be satisfactory; and it might be preferable in the circumstances rather than sitting tomorrow.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I think the Secretary of State is to be be commended for his suggestion that we not proceed with his motion at the moment but that we be given time to consider the points he has raised. We are all aware of the problem facing us with respect to getting the estimates through, and I think we would all admit that we have to find some way in which we can do this in the amount of time there is left in the calendar year before another session starts.

I would suggest that the question of whether we sit tonight or tomorrow for the purpose of getting the trusteeship legislation through, as well as the whole question of what to do about our sittings, be discussed through what are sometimes referred to as the usual channels but which seem to have broken down a bit of late. I am suggesting to the Secretary of State that he resume the very commendable practice he carried on in the early part of the session, of calling in the house leaders of the various parties to discuss these matters. I know the problem this raises, but I suggest that common sense dictates that if we are going to deal with the business of the house, a representative of every group in the house, by whatever name it is called, should meet with the Secretary of State to work this out.

I think if we do have such a meeting today we can can come up with some solution to the problem. I urge that nothing be done at this point, but that the representatives of the various groups have a chance to discuss the matter with the members of their parties and that the Secretary of State call a meeting of the party representatives later this day.

Mr. Speaker: I suggest to the house that as a matter of courtesy, and shall we say fair play, certainly without prejudice to any statement made by me, we do hear this morning from the hon. member for Lapointe (Mr. Gregoire).

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Surely, Mr. Speaker, it is important, in order to speed up the business of the house, to have the opinion of a political party which includes 13 members.

It would be easier to co-ordinate the business if our group of 13 members is consulted than otherwise. As far as we are concerned, we think it is normal that these things be discussed among the parliamentary leaders in order to reach a solution, so that the business of the house be accelerated as much as possible.

From what I understood of the statement made by the Secretary of State (Mr. Pickersgill), he is anxious to see the trusteeship bill pass today or tomorrow and we have no objection to that. On the other hand, as far as Bills C-83 and C-84 are concerned, even if there are agreements between the parliamentary leaders of the various parties, we wish to point out that we would not want to put a blockade on the passing of those bills but that we think we are dealing with very important legislation, particularly the bill respecting the delimitation of the Nunassiaq territory and that we could not accept, at least under the present circumstances, a speedy consideration of that bill in as much as it is lacking in precision and clearness and it does not contain the full information we would like to have. Besides, we just pointed out that fact to the leader of the house and that, without any intention of filibustering. But those questions are very important to us and we want to consider them. Therefore, and as was done in the past, we suggest a meeting between the parliamentary leaders of the various political parties including ours, to discuss the situation of the business of the house at the present time.

[*Text*]

Mr. Pickersgill: I should like to deal first of all with one point raised by the hon. member for Lapointe. Let me say at once that this government has no intention of seeking to put through any piece of legislation without allowing hon. members who want to debate any point of principle to do so. There is no thought whatever of suggesting that if there is any intention of debating the substance of this bill, that will be a condition of anything else; because that is what parliament is for, to debate these matters. There will be no attempt on the part of the government to push this bill through until hon. members are satisfied that they have had their say before the matter is brought to a vote. I am referring to the bill in connection with the territory the name of which, because of my poor knowledge of Eskimo, I cannot pronounce.

As to the suggestion made by the hon. member for Winnipeg North Centre, I think it would be satisfactory to the government if we could reach an agreement now that it would be possible at five o'clock to revert to motions to settle this question for the rest of the week. Speaking as house leader and also for the government, we in other words, do not want to be denied the right which we now have to move our motion; but if it could be agreed now that, in the event of our not being able to find any satisfactory solution, we could revert to motions at five o'clock and have freedom to deal with the matter, I think it would be very helpful; and it would save the time of the house if we could have discussions through the usual channels about this matter.

I should like to say at the same time that I appreciate very much indeed the co-operative and understanding way in which this matter has been approached by the hon. member for Winnipeg South Centre and indeed by all those who have spoken. If we could have this understanding that the house would permit us to revert to motions to adopt whatever procedure may be agreed upon or, in the event of no agreement, that the government may go ahead, should it still feel it is necessary to do so, with the motion, I think this matter could be postponed for the time being.

Mr. Knowles: Mr. Speaker, we are quite happy to give unanimous consent to the suggestion that the government be permitted to revert to motions at five o'clock and then take up this motion, if necessary. However, I think it would be desirable between now and five o'clock that the Secretary of State consult with representatives of all parties on this side so that we may know what is intended when we reach five o'clock.

Mr. Pickersgill: I shall be glad to arrange an appropriate meeting as soon as I can.

Mr. Speaker: Does the house give unanimous consent to the suggestion of the Secretary of State?

Some hon. Members: Agreed.

Mr. Speaker: Then it is agreed.

TRADE

WHEAT—STATEMENT BY MINISTER RESPECTING MARKETING POLICY

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, the house will recall that yesterday I endeavoured to make a rather lengthy reply to some questions which were put to me about Canadian-United States wheat marketing policies, and it was suggested that I might instead make the statement today on motions, which I am very happy to do.

I said in the course of my reply to an hon. member that Canada and the United States are competitors in world wheat markets, friendly competitors but very keen competitors. I said that we were each interested in getting as large a share of world markets as we could, and also that we had a very great interest in stability. That is why we are both members of the international wheat agreement, and it is why we have had from time to time consultations about our respective wheat policies. I recalled that when the joint committee on trade and economic affairs was established some years ago a subcommittee was established at the official level just for the purpose of discussing our respective wheat policies, and in particular at that time surplus disposal, which has been carried on in the United States over the years on a very large scale. I also said there were many times when our two governments have not always seen eye to eye, when we have made representations the one to the other.

This is natural and normal, since we remain competitors, even though, like wheat importing and exporting countries generally, we have an interest as members of the international wheat agreement in the stabilization of the world wheat market.

The wheat marketing systems of Canada and the United States are, of course, very different. In Canada the Canadian wheat board is the sole marketing agency for western wheat. The wheat board sells the wheat at home and abroad and distributes the proceeds to the farmers. No one stands between the farmer and the export market.

In the United States, on the other hand, the domestic market price has been above the price of wheat being offered by competitive sellers like Canada, Australia and

the Argentine. In order to meet this competition the United States government has had to pay a subsidy fixed from time to time. In addition, as hon. members know, the United States government has moved very large quantities of wheat under the provisions of public law 480.

The Canadian wheat board, being the sole marketing agency for western wheat, determines its selling prices from day to day, and may enter into contracts of any size and for forward delivery. This it did recently for 500,000 tons to mainland China and nearly six million tons of wheat and flour to the Soviet union.

After the conclusion of the Russian contract the board indicated its willingness to enter into forward contracts also with certain of its regular customers, including Japanese buyers. It seems to me this was a sensible and forward looking policy, since the board is desirous of retaining the business and the good will of its regular customers.

The United States administration has taken exception to this policy and has let its views be known to the press, as well as to the Canadian wheat board and to the government. All I can say is that I believe the wheat board has been acting in the long term interests of the western farmer, and in a way designed to promote stability in world wheat markets. If, over the years and recently, it had followed a less far seeing policy, I do not believe those in need of wheat would have turned as they did to Canada in the first instance for such a large portion of their requirements.

I am sure all hon. members on all sides of the house will agree that it is of the utmost importance that the wheat board should take the long view. Even with these large sales Canada will still have a large carryover at the end of the current crop year. We intend to remain competitive, to retain our regular customers and their confidence in our marketing system, and to build new markets.

I trust we shall also continue to have the co-operation of the United States administration in doing what can be done to stabilize world wheat markets.

Hon. Alvin Hamilton (Qu'Appelle): I hope the house has followed with interest and deep attention the remarks which have been made by the Minister of Trade and Commerce. What the hon. gentleman has said about the marketing of grain was accurate and succinct. It was not altogether complete, of course, and the suggestions I am about to make will, I trust, add weight to what has been said.

We have been operating in Canada, through the Canadian wheat board, a type of marketing which I think ranks with the best in any country in the world. Because of lack of knowledge on the part of many people in Canada, some of them in high places, about the way in which the wheat board operates, attacks are occasionally made on the board for which there can be no justifiable foundation.

The matters which are now under discussion were, of course, considered at the time we set the policy in connection with the China wheat agreement. In connection with this long term agreement we held to the view that we could set a fixed price for the period of each contract. This fixed price basis has been followed by the board as a regular policy, without any objection being raised until the present time. The minister was correct when he pointed out that this was the established practice of the wheat board, with the full knowledge of our competitors.

The second point I wish to make is that we have established what I call a rule of law in the sale of grain on world markets. We have set an example to nations which produce surpluses of other types as to the way in which they can bring a rule of law into the marketing of their products. Until the last two or three weeks I was very proud of the co-operation which existed among the leading exporting nations of the world in dealing with their customers, passing information back and forth and maintaining the confidence of each.

During the last two weeks it looked as if we were reaching the breaking point in the confidence that we must have if our Canadian wheat board officials are to divulge all our Canadian information to our competitors as they divulge their information to us. I would hope that the minister, at his level, would bring to the attention of his United States counterpart the fact that we want to maintain this friendly co-operation and rule of law in connection with the handling of grain in the world through this international wheat agreement. We would hope that he would restrain his officials, and if necessary himself, from making statements which are harmful to the interests of one of the countries co-operating in this group. I do not believe we should allow our officials to stand alone on this question. I think if you do it over the telephone you can make it very clear to the secretary of agriculture that these are views which, as Canadians, we all support, and that we support the Canadian wheat board.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I just want to say to the Minister of Trade and Commerce that we would like to support him in his determination to maintain the selling procedures that the Canadian wheat board has followed in the past. I should like to say to him also that we feel it is both right and desirable that the wheat board

ditions and terms equally favourable as they gave in the special sales to mainland China and the Soviet union. If these forward pricing arrangements had been carried on in the past, and the minister tells us they had, then we support him in his contention that they should be continued in spite of objection from the United States.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the events of the past few years in relation to the marketing of wheat have fully vindicated the establishment of the Canadian wheat board as the sole marketing agency of wheat and certain coarse grains in this country. The huge surpluses which had been built up would have resulted, under an open market situation, in very depressed prices for the farmers. Now the shortage of wheat in certain areas of the world would have resulted in a very rapid increase in the world price which would have benefited not the farmers who grew the wheat but the speculators on the various wheat exchanges. Therefore the organization of a national wheat marketing policy has been fully vindicated by the present situation, in that the farmer is going to get the full return from whatever wheat is sold and the purchasers of wheat, who are important, are not going to feel that they have been exploited because of an unfortunate famine situation.

This does not mean, of course, that we think the Canadian wheat board should drop its price in order to get orders. It was for this reason I was concerned when the report came from Washington that the Canadian wheat board had dropped its price 6 cents a bushel in order to get a contract with mainland China. However, I believe we have to leave it to the good judgment of the Canadian wheat board to get the best price they can.

I was relieved yesterday when the minister denied the statement which was made by a United States agriculture spokesman to the effect that on September 20 a representative from Canada had assured the United States representative that no more fixed price agreements would be entered into following the agreement with the Soviet union. I am glad the minister has assured the house and the country that such fixed price agreements will be continued, because they are in the interests of the farmer on the one hand, and fully demonstrate to importers of wheat that we are not anxious to allow speculators to take advantage of the unfortunate situation which has made it necessary for them tc import large quantities of wheat.

I think the house generally will support the minister in the position which he has taken, and will let the Canadian wheat board know that we stand behind the policy they have been pursuing.

Mr. Caouette: Mr. Speaker—

Mr. Speaker: The house will appreciate, of course, the difficult position in which the Chair is pending the receipt of instructions from the house. However, I suggest to the house that pending those instructions, as a matter of courtesy and without prejudice to those instructions from the house the hon. member for Villeneuve be allowed to comment.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Real Caouette (Villeneuve): Thank you, Mr. Speaker, for your courtesy to me and to our group.

The Canadian wheat board should not try to minimize the value nor to reduce the price of our wheat because, after hearing experts both in Canada and throughout the world assert that Canadian wheat is of a better quality than any other in the world, we consider that we should not in any circumstance speculate on prices or reduce them. We can meet the competition of all other countries.

The action taken this morning by the Minister of Agriculture (Mr. Hays) is all to the credit of western farmers and is likely to prove the value of our wheat to our farmers as well as the countries interested in buying our wheat and to promote good trade relations, while maintaining as always a high quality of wheat and taking progressive measures for the development of our foreign trade.

[*Later:*]

[*Text*]

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question of urgency for the Minister of Trade and Commerce. In the light of what has happened in the United States and the criticism about the Canadian wheat board's method of selling grain, would the minister consider having the Canadian wheat board and also the board of grain commissioners appear before the standing committee on agriculture as soon as possible?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I gave some assurance to members on the other side that I would be very happy to see the wheat board appear before the agriculture committee as soon as it is ready to hear them.

Sale of Butter Surplus

AGRICULTURE

BUTTER—STATEMENT ON SALE OF SURPLUS STOCKS

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, since I have had many inquiries in connection with the butter situation I thought I should review the situation at this time for the benefit of hon. members.

As one of the supports provided to the dairy industry under the Agricultural Stabilization Act, butter has been supported by an offer to purchase. In 1957 the level of support was increased from 58 cents per pound to 64 cents per pound. Until that time production and consumption of butter in Canada had remained reasonably in balance. In 1958, with the increase in the support level and concurrent anti-fat publicity, the per capita consumption dropped sharply while production continued to rise. By May 1, 1962 the agricultural stabilization board's stocks of butter either as butter or in the form of butter oil had risen to 168 million pounds. Of this over 70 million pounds had been accumulated during the 1961-62 support year.

On May 1, 1962 a consumption incentive program of 12 cents per pound was instituted, and during that year approximately 50 million pounds more butter was moved into domestic disappearance channels than was the case the previous year. Nevertheless, production for the dairy year 1962-63 exceeded consumption by approximately 25 million pounds. At the start of this dairy year certain changes were made in the support program, including a modest incentive to the production of cheddar cheese, a product that finds ready acceptance in the export market. As a consequence of this and the continuation of the 12 cent consumption subsidy it appears that this year for the first time since 1957 supply and demand of dairy products will be approximately in balance.

In order to reduce storage costs and to conserve quality, older stocks of butter from time to time have been converted to butter oil. While Canada to date has refrained from offering surplus butter on the world market at concessional prices, the fact that the current program now would appear to have the surplus problem under control would indicate that it is appropriate to dispose of at least a portion of the holdings of surplus butter and butter oil. Crop conditions throughout parts of Europe and Asia have been unsatisfactory this year, which would indicate an over-all shortage of dairy products. Accordingly after consultation with major dairy exporting countries the government decided to offer for export the agricultural stabilization board's holdings of butter oil.

Early this week word was received that Great Britain needed supplies of butter to meet imminent shortages which could not be covered because of distance, supply conditions and seasonal factors by Great Britain's normal suppliers. Accordingly the British board of trade asked British importers to submit applications for the import, from any source, of 5,000 tons of butter for delivery prior to November 15. The agricultural stabilization board quoted 1961 and 1962 butter at competitive prices to Canadian exporters who had received inquiries from British importers. To date it is understood that approximately one half of the import licences are being issued to cover butter from Canadian sources.

It is not considered to be in the interests of the competitive position of Canadian exporters to release the price at which the agricultural stabilization board has quoted this butter at this time.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I am not going to make any lengthy comments on the details of the statement just given to us today because I think an opportunity will occur later in the sittings of the house to deal with it in more detail. However, I would like to make one observation; that I do hope the government has not forsaken the efforts that were under way to try and get the 20 odd butter surplus nations of the world to co-operate in some form of international commodity agreement that would bring some rule of law into the dairy surplus situation, as we did many years ago in looking after wheat.

LABOUR RELATIONS

MARITIME UNIONS TRUSTEESHIP—STATEMENTS BY U.S. OFFICIALS

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 in connection with the statements made yesterday by United States secretary of labour Wirtz, which apparently reflect the opinions of the Kennedy administration on the measure before the Canadian parliament to set up a maritime unions trusteeship.

Has the Prime Minister, either on the hot line between Washington and Ottawa or through the ordinary facilities, advised President Kennedy personally of the indignation of Canadians at the unwarranted affront to the parliament of Canada and the people of Canada by the observations of a man holding

the responsible post that Mr. Wirtz does, regarding measures before our parliament and while they are being discussed here?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would like to answer the right hon. gentleman's statement and question at some length and crave the indulgence of the house for that purpose, but I might say at the beginning that I have not communicated directly with President Kennedy on this particular matter, as the full account of the statements that were made in Washington yesterday were received only this morning. I refer to the statements made by the secretary of labour and the president of the American federation of labour, statements that were carried in yesterday's press reports.

The Minister of Labour and other hon. members of the house have already expressed their deep concern over both the content and the timing of these statements. The concern that I am sure members of the house and Canadians generally have felt about these statements arises in large part from the apparent failure of both the secretary of labour of the United States government and the president of the A.F.L.-C.I.O. to appreciate fully the fact that the dispute on the great lakes is essentially a Canadian dispute, although of course it has international ramifications and could cause international repercussions.

In all the efforts that have been made to develop an effective solution to this problem on a private basis the failure on the part of the United States labour leaders to recognize this basic fact, that this was basically a Canadian dispute, has been a chief stumbling block. For instance, the insistence of the A.F.L.-C.I.O. negotiators that there should be no provision in any private trusteeship arrangement to ensure that the majority of the trustees be Canadian was indeed a major issue on which private negotiations broke down. The government let the Canadian Labour Congress spokesmen know from the beginning of the negotiations that it strongly supported the stand taken by the congress on this matter, and that the government could accept no private arrangement that did not ensure a Canadian majority of trustees. Any other course would have been unthinkable, and it is surprising that the United States government and labour officials did not realize this.

Another basic fact that has not been recognized in the Washington statements is the failure once again on their part to understand that this dispute—and I have already referred to this—centres around the progressive destruction of free trade unionism and the failure of the president of the seafarers international union of Canada to arrest this progressive destruction of democratic unionism. The objective of the government, and I am sure of the parliament of Canada, of the Canadian Labour Congress and of the Canadian people, is to restore free and democratic unionism in the maritime industry in Canada, and complete freedom of shipping on the great lakes. That is the essence of our position and explains the reason that the Canadian parliament is being asked to do what the S.I.U. itself should have done long ago.

I would hope especially that the statement made by Mr. Meany, rightly described by my friend the Minister of Labour as shocking, is not to be interpreted as an invitation to violence on the part of members of unions. The Canadian government and the Canadian people will not, I can assure Mr. Meany if he needs the assurance, be intimidated let alone impressed by any such statements.

Some hon. Members: Hear, hear.

Mr. Pearson: But, Mr. Speaker, I would appeal to all concerned in both the United States and Canada to act in this matter in a responsible way, so that we can bring to an end as quickly as possible the serious difficulties that have persisted for much too long in the Canadian maritime industry.

Mr. Diefenbaker: Mr. Speaker, the statement made by the Prime Minister was a very lengthy one, and understandably so. We in the opposition share the views of the Prime Minister in this regard.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: The statement by Mr. Wirtz was made at a time when he must have believed it would have a maximum effect on Canada's parliament. However, I come back, having said what I have said, and agreeing with the references that have been made to Mr. Meany's quite gratuitous and improper observations, to ask the Prime Minister does he intend to let President Kennedy know how Canadians feel about the action of Mr. Wirtz? One might also say, having regard to the earlier statement made by Mr. Wirtz when he butted in on Canadian affairs, that he is getting "wirtz and wirtz".

Mr. Pearson: Mr. Speaker, now that we have received the reports of these statements I will not hesitate to let the President of the United States know exactly how the government and parliament feel about the statements made by a member of the United States cabinet and the head of the A.F.L.-C.I.O.

[*Later:*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question for the Prime Minister. In view of his earlier

statement that he would let President Kennedy know about the government's disapproval of the interference by secretary of labour Wirtz in a Canadian matter, and also because of the rapidly developing crisis in relations between the two countries, is the Prime Minister considering an early meeting with the President to discuss this and other subjects?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, there is no such immediate meeting in contemplation, but I am glad to be able to state that I have access to the President whenever I wish to speak to him.

LONGSHOREMEN'S STRIKE—REQUEST FOR STATEMENT ON PRESENT POSITION

On the orders of the day:

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Minister of Labour. I am sure all members of the house and Canadians at large are relieved that there is some new hope of a settlement on the waterfront. Can the Minister of Labour pass on any further information he may have received from Judge Lippe or otherwise that would inform the house as to how the negotiations are developing at the present time?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, members of the house will be pleased to learn that the dispute is showing signs of settlement. A settlement has not been reached, but there are signs of a settlement in the situation. As a result of meetings convened yesterday by Judge Lippe and which lasted until 3.30 this morning the parties came to a meeting of minds.

I understand that the representatives of the longshoremen's union at a meeting to be held at eight o'clock tomorrow morning will seek authority from members of the union in accordance with the understanding reached this morning with the federal mediator. If that proposed meeting of the membership goes through, the federal mediator will then meet with the parties at noon tomorrow. I think we can have at least some hope we are on the road to a settlement, although I have no ironclad guarantee or anything close to it that a settlement will take place.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question, Mr. Speaker. I want to ask the Minister of Labour this question. He has more inside information, I presume, than most members as to the negotiations that have been going on between the longshoremen's union and the shipping federation. Has a single shred of evidence been produced to show that there is any connection between the longshoremen's union and the S.I.U., or that there is any relationship between the strike which has been going on in the St. Lawrence ports and the fact that this parliament is discussing legislation to set up a trusteeship over the maritime unions?

Mr. MacEachen: Mr. Speaker, I have received no evidence whatsoever.

[*Later:*]

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to ask the Minister of Trade and Commerce if he is now in a position to answer the question I asked him the day before yesterday, as to how long ships now in the St. Lawrence will wait there for grain cargoes.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, after the hon. member asked me the question I made some inquiries, and I find that only the ship owners can give this answer. There is no information that I am in a position to give.

Mr. Harkness: Do I understand that the minister was not able to obtain any information from the ship owners in regard to this matter?

Mr. Sharp: The ship owners will have to make their own decision, and they will not even give a forecast as to how long they will remain.

LABOUR CONDITIONS

BRANTFORD, ONT.—DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Mr. O. W. Weichel (Waterloo North): Mr. Speaker, I should like to direct a question to the Prime Minister. I should like to remind the Prime Minister of his recent statement that he would tell the mayor of the city of Guelph what the government's decision is on the question of designated areas in the Grand valley district. Would the Prime Minister kindly inform me of his decision at this time, as promised?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I had a few words with the mayor of Guelph on this matter the other day. I told the mayor then that I hoped to be in a position to communicate with him before the end of the week. On my return to Ottawa I got in touch with the Minister of Industry. We have had some conversations on the matter brought up by the mayor of Guelph, and I still hope to be able to communicate with him before the end of the week.

Mr. Weichel: I believe the promise was made that an answer would be given today. Was it?

TORONTO—REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to direct a question to the Minister of Labour. Yesterday the minister, in replying to a question asked by the hon. member for Greenwood, said he wanted to discuss with the Prime Minister the question of the extension of the winter works program in Toronto. I know he has many very difficult matters on his mind, but I wonder whether the minister has yet had an opportunity to discuss this matter with the Prime Minister; and if so, can he give us any indication of the government's intentions in this regard?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, perhaps I could be permitted to answer this question in view of the fact that I had an opportunity yesterday for a short talk with the mayor of Toronto and other municipal officials. I have reported that talk to the Minister of Labour. We are discussing the matter, and I hope the minister or I will be able to make a statement on Monday or Tuesday next. I am afraid I will not be able to do it before then.

NATIONAL DEFENCE

LOCATION OF U.S. NUCLEAR STORAGE IN LABRADOR

[*Translation*]

On the orders of the day:

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to direct a question to the right hon. Prime Minister. Could he tell the house whether or not the American nuclear arms which will be stored in Labrador, will be located on territory that the province of Quebec claims as its own?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the nuclear arms in question will be stored in leased bases in Newfoundland, and I do not believe that either of these leased bases is in territory claimed by the province of Quebec.

POST OFFICE DEPARTMENT

REQUEST FOR CONSIDERATION OF ESTIMATES BY COMMITTEE

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Postmaster General. In view of the great dissatisfaction which exists and has existed for some time among employees of the postal department, and the great concern of the general public with regard to the efficient operation of that department, will the Postmaster General undertake to arrange for the referral of the Post Office Department estimates to the appropriate committee of the house?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, unfortunately I cannot answer the hon. member's question because it is inaccurate.

Mr. Howard: What is inaccurate?

Mr. Douglas: Mr. Speaker, how can a question be inaccurate?

Mr. Pickersgill: Most of them are.

CANADIAN NATIONAL RAILWAYS

OTTAWA-MONTREAL—USE OF BILINGUAL INSIGNIA BY TRAIN CREW

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of Transport.

During a recent trip between Ottawa and Montreal, aboard a C.N.R. train, I noticed that the conductor and his assistant spoke one language only. Moreover, and at that time there were six members aboard that train, including the hon. members for Iles-de-la-Madeleine and Richmond-Wolfe (Messrs. Sauve and Asselin), I noticed also that the occupational titles of employees, that is conductor and trainman, appear in English only on their caps. Would it be possible to have those titles appear in French also on the caps of C.N.R. employees?

Mr. Habel: On the back of the cap?

Mr. Caouette: At the front of the cap. You are the ones who have it on the back.

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I have travelled the route between Montreal and Ottawa a great many times, and I find that great numbers of the personnel are bilingual. However, I would be very glad to draw the question raised by the hon. member to the attention of the management of the C.N.R.

EXTERNAL AFFAIRS

SOUTH AFRICA—SUGGESTED HALT OF ARMS SHIPMENTS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the

Prime Minister. A press report from Washington announces that the United States government has stopped approving export licences for commercial arms shipments to South Africa as a first step to halting the flow of arms to that country. Is similar action going to be taken by the Canadian government and, if so, how soon will the government put it into effect?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am grateful to the hon. gentleman for giving me notice of this question. It is a question which at the moment is under consideration by the government. Indeed, it was considered yesterday and will be considered in the early part of next week. As soon as I am in a position to make a statement about the matter I will be glad to do so in the house.

TRADE

NICKEL—REQUEST FOR EXPORT ASSISTANCE

On the orders of the day:

Mr. O. J. Godin (Nickel Belt): Mr. Speaker, I would like to direct a question to the Minister of Trade and Commerce relative to the Canadian nickel export position, which has affected Falconbridge Mines. Would the minister tell the house whether he foresees any action by himself or the government which would assist this problem?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, the Department of Trade and Commerce and other departments of the government are aware of the problem that has arisen at Falconbridge Mines and is studying this matter. I am not in a position to say at the moment what specific action can be taken, but I want to assure the hon. member that the matter is under very careful consideration.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Maurice Cote (Chicoutimi): Mr. Speaker, I wish to direct a question to the right hon. Prime Minister. I am not in the habit of bombarding him with questions.

Has the Prime Minister sent or does he intend to send congratulations to his new colleague, Dr. Linus Carl Pauling, who has just won the Nobel Prize for Peace owing to his vigorous action in favour of nuclear disarmament?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this does not seem to me to be a matter that comes within the purview of the government or the house.

[Mr. Douglas.]

MARITIME TRANSPORTATION UNIONS

PROVISION FOR MANAGEMENT AND CONTROL BY TRUSTEES

Hon. A. J. MacEachen (Minister of Labour) moved the second reading of Bill No. C-102, to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees.

He said: Mr. Speaker, in moving the second reading of this bill I point out that it is clear to hon. members that the principle of the bill is to place the maritime transportation unions in Canada under the management and control of trustees. The bill is now before hon. members of the house, and my purpose at this stage is to comment on the bill in more detail than was possible at the resolution stage.

Members of the house, in considering the bill, should be reminded that the trusteeship will cover five maritime labour organizations. These organizations are set forth in schedule B on the last page of the bill. The membership of these unions is as follows: first, the Canadian maritime union, consisting of one local with 500 members; second, the seafarers international union of Canada, with two divisions and consisting of 17,400 members; third, the national association of marine engineers of Canada, with seven locals and 150 members; fourth, the Canadian merchant service guild, with two divisions and 2,480 members; and finally the Canadian brotherhood of railway, transport and general workers, consisting of 13 locals with a membership of 2,297 persons.

Members of the house are also aware that each of the five organizations has its own constitution and a number of collective labour agreements. For that reason it is abundantly clear that none of us should be thinking of trusteeship legislation as applying solely to one organization.

I would like to emphasize that the normal principles of free and democratic labour organizations and the normal employer-employee relationship through collective labour agreements are emphasized in the legislation. It should be clear that the trustees are asked in and empowered by the legislation to manage and control each of the maritime unions; but they are also asked to do all things necessary or advisable for the return of the management and control of each of the maritime unions to duly elected and responsible officers of such unions at the earliest date consistent with the national and public interest of Canada.

In making that statement, Mr. Speaker, I want to underline my view that certainly all the locals and all the unions that are placed under this trusteeship are not being placed in the same category as the particular union

which gave rise to this legislation. I want to make it clear that the officers of certain unions have agreed to come under this trusteeship willingly in the interests of cleaning up the situation on the great lakes, and their inclusion in this legislation is certainly not intended to imply that the strictures contained in the Norris commission report which apply to the seafarers international union of Canada apply in any way whatsoever to the other unions involved. I think it ought to be made clear that the inclusion has been voluntarily on the part of these unions in the interests of unionism and in the national interest.

The trustees are to carry out this principle of restoring the management and control of the maritime unions to duly elected and responsible officers. The trustees will be empowered to establish advisory councils, to recommend changes in the constitution or bylaws of the unions, to supervise and tender advice to bargaining committees in the negotiating of collective labour agreements, and to carry out the normal management and control of union affairs. The intention of the legislation, and it has been prepared with this intention in mind, is that the trustees will, in so far as it is possible, administer the operations of the unions referred to as nearly as possible in accord with properly and democratically operated labour organizations.

Having said that, it is also clear that the trustees will be asked to undertake a very heavy responsibility, and they will be asked to resolve a very serious and critical situation. For that reason they will have power and authority to deal with any situation that may arise and with which they may be confronted. This power and authority is provided in the legislation. This authority of the trustees is further strengthened by penalty provisions against any obstruction of the trustees or any withholding of documents and information that may be required by them. It is a natural course of events that as well as supervising the employer-employee relationship, the investments of union members in their respective organizations must be protected. This is also provided for in the legislation. Members of the house will have noticed that reference is made to a building corporation, and provision is made for the trustees to exercise management and control of this corporation.

Hon. members will appreciate that it is difficult to know fully what may have transpired within any union since the date of the report of Mr. Justice Norris. For this reason there is provision in the bill for a preserving status. There is provision empowering the trustees to apply for a court order to declare void any transaction entered into on or after the 6th day of July, 1963, pursuant to certain provisions which are spelled out in the legislation. Similar authority is given to the trustees in another part of the bill. In other words it is desirable that a status quo should have prevailed since the receipt of the report of Mr. Justice Norris. In addition, provision is made that an annual report is to be made to the Minister of Labour by the trustees, and that report shall be laid before parliament.

Naturally members of the house will want to examine carefully each detail of the legislation so as to ensure that the purposes of the trustees will be carried out, that the legislation will be effective, and that the trustees will be able to operate effectively. There has been some question about why this legislation continues for a period of five years. Naturally it is hoped that it will not continue for this period of time. I assure hon. members that consideration was given to providing for a shorter period. As hon. members will notice from the legislation, every possible provision is included to permit the removal of any maritime union from the trusteeship at an earlier date. It may be quite possible that all the trustees named in the legislation will have been removed from the trusteeship before December 31, 1968.

Having made that comment, I should like to say that we are undertaking a very serious task. We ought it seems to me, to avoid two extremes. One is to make the period of trusteeship so short that it may encourage a restoration of conditions which prevail at the present time in any of the unions; that it may encourage any person to wait out this trusteeship in an effort to once again wrest control over any union for his own purposes. On the other hand, there is a natural reluctance on the part of members of parliament to give these powers to trustees for a day longer than is absolutely necessary.

I have not a closed mind on this point, and neither has the government. All I am concerned with is that the trusteeship be effective. I hope there will be very careful consideration given to maintaining the effectiveness of the trusteeship, and I would not want it to become ineffective in its purposes through having too short a period available to enable the trusteeship to work properly.

In conclusion, both on second reading of the bill and when we go into committee I will consider any further views on this matter, and I hope it will be possible in committee to reach a meeting of minds on this very important point.

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, the debate on this question at the resolution stage was featured by a certain

amount of recrimination, but the fact is that almost anyone can share some of the blame for the existence of the situation created by Mr. Banks. Certainly it is easy to point the finger at a former government—I say government, not governments—and at trade union leaders in Canada. There are some very deep questions to be asked about the behaviour of the management of certain companies in all these dealings, and in this sense I do not think anyone can take a great deal of pride in the efforts we are now making to clean up the situation. I do not want to go into recriminations again; I just want to speak for my party and not for anyone else, but I presume that along the way other people will speak as Canadian nationalists with regard to this whole matter.

I have had some dealings with the S.I.U., since it happens to have a branch in my constituency. Members of my party organization belong to the S.I.U., and I have had quite a bit of contact with them. I know that this measure may cause trouble in my own area owing to the fact that the port council, which consists of a number of unions, do associate with the S.I.U., and the longshoremen are likely to take some steps. The repercussions at the local level are obvious to me and other members who have to deal with the S.I.U. Already we have had evidence today of the repercussions at the international level. It seems to me that we need a fundamental unity in our approach to this matter, which I suggest should be an approach based on Canadian nationalism.

When I say that I do not mean that we should contradict any of the arguments put forth by the hon. member for Winnipeg North Centre about the value of international unionism. I happen to be a member of an international union, and this union to which I belong would be most ineffective in Canada were it not for its international associations. That is a fact. What I mean by the term "Canadian nationalism" is that we should see that the autonomy, not only of the Canadian sections of our unions but also of our legislation, of Canadian law, Canadian control and Canadian rules and regulations pertaining to the freedom of Canadian business, is respected.

It is very apparent to anybody looking at this question that despite what I thought was a certain amount of humour and needling with regard to the Prime Minister meeting President Kennedy on this matter, we have to look at the reality of the United States political associations and at the associations which encircle President Kennedy. If we do that I think we will all see the point that it may be very necessary for the Prime Minister to go directly to Washington, and not to go there cap in hand. I think we have to recognize that the President is surrounded by a very powerful group of people who, in effect, are not within the congressional framework. One of the bases of the Democratic party's power in the United States and that of President Kennedy, is the very close association he has with some trade union leaders. It is obvious that this is why secretary Wirtz has made the statement he has. It is obvious why there has been all the difficulty in the negotiations; that these labour leaders with whom Mr. Hall is associated are very important to the success or to the power of President Kennedy.

To say this is not to stick one's neck into an American situation, but just to recognize a reality. It seems to me that our Prime Minister has to approach the president and the American people from this point of view. If we are to be sacrificed in terms of interference on the basis of President Kennedy keeping a united front in his political support, then we are in terrible trouble in our association with the United States.

One of the factors which was instrumental last winter, when we had another example of the state department's interference in Canadian affairs, was a sort of follow-up which was reflected in our political campaign, a tremendous fear that maybe we might alienate the Americans. Editorials were written across the country expressing great fears about how we must get along with the Americans and saving that our economies are so interrelated that it would be terrible if we lost their confidence in our dealings with them. It has become very much a partisan political issue. I think the Prime Minister has to realize that it has been recognized, and he can be criticized for the fact, that he took the stand that he has a particular personal association or, if you want to put it, comradeship with the chief executive who governs the United States at this time; that is, in contrast with the previous prime minister of this country.

This, it seems to me, underlies the responsibility he faces at this time in his relationship with the Kennedy administration. Let us not make any mistake about it by assuming we can approach this difficulty as between labour union and labour union and the Minister of Labour and the secretary of labour. The Americans do not operate in this way. Everything focuses upon the top. We tend to hide this fact in our organization, but the Americans never do. I think one thing that is necessary in this particular dispute involving Canadian nationals is a direct approach to President Kennedy to make sure that the consequences of this measure will not be destroyed by the kind of United States

interference of which we have already seen a suggestion. There will be difficulties enough here in Canada in implementing this trusteeship without having to put up with that. One of the reasons we would hope there is fundamental unity in this house about getting the legislation through is just to let the Prime Minister know that he has absolute support in this regard.

One matter which was not touched on by members speaking on the resolution stage is this; I want to mention it here, and I do so because I have had a close relationship with the S.I.U. hiring hall and with members of the union. The hon. member for St. Lawrence-St. George referred to an aspect of it last night when he said there is no doubt that at the present time Banks still has control of the membership of the S.I.U. At least that is what I gathered from what he said. This control, I should like to point out, is not only a bureaucratic control which dictatorial methods have enabled him to deepen. It is a control based on a tremendous respect on the part of members of the S.I.U. I had one conversation with them when I was trying to point out to them that an attack with baseball bats on a man in Fort William in his own home was a kind of action that could not be understood. But these men were justifying it. They were saying well, the guy—I will not go into the obscenities which were used—the guy was a bad character. They could not see that this was not an approach which should be used on anyone who came into conflict with Mr. Banks.

I asked them what it was about Banks they liked. They liked him because he was tough. They told me stories about Banks himself moving in with his fists. You must realize that the kind of person who works on the lakes, the man whose work has so little permanence—a situation which in so many cases is actually fostered by Mr. Banks—has the kind of background and education which gives him great respect for the tough guy.

I asked them whether it did not bother them when they heard the details of Banks living in luxury in Montreal and the fact that he had these Cadillacs and mistresses and things like that. Quite the reverse. Many of them seemed to enjoy a vicarious satisfaction that their guy was doing as well as or better than anyone else in the country. One of them put it "I like to think that our man is doing as well as the guy who owns Canada Steamship Lines". These are the kind of people who are members of the S.I.U. and who give Banks his support.

One of the things we must do, and you cannot do this now, but later, ties up with the newspaper which Banks has used for his own purposes. One of the most important things the trustees will have to do is take control of that newspaper and begin, not with any vindictiveness, to use another approach to convince the members that they can develop some kind of democracy within their union.

In this regard there is something else which appears to me to be of importance, particularly as expressed by the hon. member for Cape Breton South; and this is the inability of some people, it seems to me, to recognize the difference between a corporate structure and the trade union structure as it exists. We expect and demand some kind of democracy from the unions, yet it is very difficult for them to retain democracy; and one of the main difficulties is the attitude of the people who control corporate structures. I have had too many senior executives of companies tell me they like to sit down and deal with one man, a tough character, and hammer out a firm agreement with him. I recall, a few years ago, an executive saying "We don't want to fool around with all these crummy locals where you get involved in wildcats. We want to sit down and talk tough with one guy who has responsibility."

This is why Mr. McLagan refers to Banks as the best paid union leader in Canada. This is why he has such a respect among corporate people. We have to realize that the union structure and the corporate structure have very few similarities, and that the manager or leader of a corporate structure does not give a hoot about the democratic situation in a company or a union; he wants to deal with responsible leaders. And of course Banks can offer the head of a corporation, in his union dealings, a bunch of followers who do exactly what he says.

My hon. friend from Winnipeg North Centre was quoting the directors of Canada Steamship Lines. I happen to know one of them personally as well as in a business way, Mr. Ambridge, who I understand is a friend of Mr. McLagan. Mr. Ambridge has had excellent relations in his own company in Abitibi. He has gone out of his way, in a sense, to encourage union democracy, and the very fact that he is on the board of directors points up the pressure in a corporate structure when it comes to its attitude toward a democratic union. Here is obviously a case, it seems to me, where the directors of Canada Steamship Lines have ignored the implications of what is involved in dealing in this cosy, face to face situation with a man who has dictatorial control over a union.

I should like to emphasize that this attitude is very much in a way an importation from

the American business scene and the American union scene. A few years ago, not long after I was elected, a knock came on my door one evening. I answered it, and there were about 20 men there, workers on the pipe line. They were all raising cain about conditions. I said to them, "Why don't you go to see your union stewards?" "What union stewards? We don't belong to any union." I said "Well, you do belong to a union if you are working for the pipe line contractor," and I was able to prove it to them. They had belonged to a union for about three months and they had been paying to this union, but they did not know it. The union did not get around to setting up any kind of organization for them. The details had been worked out with the union before the contract had been settled. Some hon. members may wonder why some of us are still bitter about Trans-Canada Pipe Lines, and that is one of the reasons.

When I went to speak to the pipe line contractors they put it down, as they said, in cold turkey. They said "Why should we get involved in all the organizational grievances that develop on the site? When the union comes along we sign a contract and let them deal with the matter. We have dealt with these people all through the United States. The union comes in and sets things up and we never have to worry." This, Mr. Speaker, is the businessman's attitude, the executive attitude. This is the explanation for the fact that, aside from the one shipping company, we have had such a disgraceful response throughout this whole matter from the shipping magnates. I believe this fact needs to be emphasized because somehow people seem to believe, largely as a result of anti-union propaganda, that there must be some kind of democracy in a union, but they tend to apply some different principles of morality to business executives. It is the business executive who, in many ways, is so wrong.

One thing about this legislation that is not very clear, and perhaps it cannot be spelled out, is that the trustees cannot be put at arm's length in their dealings with the membership. I know the hiring hall at Fort William, and it is a well kept, clean place which offers social amenities to the seamen. Unless the trustees are able to have the same kind of contact with the men, the same kind of dealings with the membership and with the men who run that kind of set-up, then the chance of insurrection, of wildcat strikes on the basis of one ship, are likely to multiply. This will make the trusteeship a ridiculous thing. For that reason we would like to emphasize that the trusteeship, and the personnel who man it, must be prepared to not be, in a sense, administrators at arm's length. We hope they take the attitude that they have the same responsibility that Hal Banks has had, only with a much different moral and ethical approach to their duties.

Initially they have to start with somewhat the same authority Mr. Banks has when he departs, at least I would hope that would be the case. Then they will have to begin the long job of creating and developing some kind of spirit within these men. I would emphasize again that a reasoned, intellectual or academic argument will not have much appeal for the men who work on the lake boats. Since the crucial point in any labour relationship really revolves around the negotiations in settling a contract, the trustees need to be very much aware that it will be in the negotiation of the new contract, as militant representatives of the men dealing with the company, that they will really have to carry the load. If they do not carry it, then the folk memory amongst men like this and their respect for Hal Banks is going to carry on and, in a sense, destroy the trusteeship.

I would hope, too, that in this whole matter, as the trusteeship moves toward what will be their crisis situation, the negotiation of a new contract, the government will try to insure that at the first sign of irresponsibility on the part of the corporation there will be some kind of face to face discussion between government representatives and these companies. I do not want the suggestion to be turned around and have people say that at the next contract negotiations the companies have to cave in, although I do not know that that would be so bad in the light of the way they caved in to Mr. Banks during the last four or five years.

There is on question upon which I should like to hear from the minister. I can see nothing in the bill that refers specifically to this new procedure the S.I.U. adopted in a belated effort to deal with its reputation, that is the setting up of this ex-naval officer as a one man board to hear grievances. I realize that I cannot refer to the bill specifically at this stage, but I should like to suggest it might be wise to retain this office. I do not know anything about the personality of the man, but one of the things that might be very useful in this period of trusteeship is the continuance of that particular office as it relates to the S.I.U. Perhaps there should even be an expansion of it into a three man board so there may be a possibility for a continuing grievance procedure, particularly in relation to the abuses of the "do not ship" list and things like that. I would carry that into the future in order to give some kind of continuity to the grievance procedure.

In summary, Mr. Speaker, may I say that we are anxious that this bill go through, with the qualifications which were expressed last night as to its timing. We will support the bill and the purposes of the bill. We will support the Prime Minister and the government so long as it shows that it is prepared to make this a very definite issue on which there is no backing down, no caving in, to the kind of pressures we have had revealed already.

Mr. J. A. Byrne (Kootenay East): Mr. Speaker, so many of my colleagues in the house, that is learned counsel and some former ministers, have prefaced their speeches with a reference to their long association with the trade union movement that I should like to preface my short interjection by saying that I am also part of the trade union movement. I have been a part of it for a number of years. As a matter of fact this past year, because of the many and varied elections, I have been unable to get back underground to continue my work in the mine. I have certainly been closely associated with unions and realize the feeling of the trade unions when they are told that a Canadian government trusteeship must be imposed upon a section of the labour movement.

While it is true that this procedure appears to be necessary, there seems to be a unanimous feeling that what we are doing is in essence wrong. However, no other alternative seems to be available, and we must impose this trusteeship. Like the hon. member for Timiskaming, I have opposed communists in the trade union movement, that is the political influence of communists and even socialists, and in that connection I have often heard this statement which I thought was attributed to Karl Marx: "The end, after all, justifies the means." I thought this was describing communist philosophy, but just the other day I learned it dated back to a philosopher around the time of the birth of Christ, and it has never been actually established since that the end does justify the means. But somehow or other we have arrived at a situation where, because of the disturbances, rioting and racketeering on the great lakes, this legislation is necessary, and we have to accept the fact that the end in this bill does justify the means.

I know something of the history of Banks and how he came into Canada. As a matter of fact I knew some of the officers of the former Canadian seamen's union, and I understand one or two of them were supposed to be communists or were influenced by Moscow. "Let us rid the unions of communists" became the great battle cry at that time, but now it has been proven there are even worse characters in trade unions than communists. Racketeers of this nature are certainly worse than communists. After all, communism is a political philosophy, while a racketeer operates entirely for his own ends. This should serve to remind us that in what we do today in other fields of organized labour, we cannot be too sure that we will not leave a greater mess—pardon the expression—than the mess we are seeking to clean up.

The hon. member for Port Arthur has suggested that big unions tend to support the government of the United States. I believe all of us feel this is true, but I would draw to his attention that this might also apply in Canada should big unions become the major supporters of any political party. In fact I would warn against either big labour or big business becoming the main supporter of a political party.

I was a bit disturbed yesterday afternoon when the Leader of the Opposition, who after all was the author of the much heralded bill of rights, suggested without apparently a shred of evidence that the officers of the I.L.A. were carrying on the strike on the St. Lawrence in sympathy with Mr. Banks and the S.I.U., and in order to prevent the passage of this bill. This is not guilt by association but rather guilt by coincidence. It just so happens that the members of the I.L.A., after long and protracted negotiations in an attempt to lift themselves out of rather deplorable conditions which have been described by some hon. members of the New Democratic party, found it necessary to resort to strike action. Certainly those conditions which were described are not in tune with the times. It was pointed out that a labourer or stevedore may be called out to work in the morning and then sent home without receiving any pay whatsoever, and certainly time and a half on Saturdays is not out of place in this day and age.

The workers had a justified complaint, and I believe they have gone a long way toward meeting the suggestions of the shipping federation. These men are not of the type described by Mr. Justice Norris. They are not of the type of the Capones, the Hoffas, and that type of racketeer. That description does not apply to them, and I think it was quite improper for the Leader of the Opposition to make that suggestion simply because their strike coincided with efforts to settle the great lakes dispute.

The Prime Minister and the Minister of Labour have expressed their concern about the statements made by Mr. Wirtz and Mr. Meany with respect to the legislation now before this house. In my opinion the best answer we in this house can make to those statements is for each and every one of us to stand up before one o'clock and be counted unanimously in favour of this legislation.

Maritime Transportation Unions

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I do not know whether it will be possible for the members of the house to stand up and be counted on this legislation before one o'clock, because it was the Minister of Labour himself who suggested, when he introduced the resolution preceding the bill the other day, that there might be those in the house keenly interested in this unprecedented action who would wish to withhold what they had to say until they had the actual legislation in front of them. He also gave the assurance that once the bill was before us we could speak on second reading on matters which we might otherwise have covered on the resolution stage.

I was one of those members who accepted the suggestion and the commitment of the minister, and that is why I am speaking on second reading, having read the bill now before us. I of course have no desire to hold it up, but there are certain matters regarding trade unionism, the record of trade unionism, and parliamentary legislation to deal with internal affairs of the trade union movement that should be discussed in principle.

So far as I am concerned it is rather imperative that I do so, because I have been a member of an international trade union since 1924. From 1924, at which time due to the existing constitution of the union I could not be a full member because I had to come under the apprenticeship clause. Until 1933 I can say I was an active member of that trade union. From 1933 to 1963 I have not been what may be called in the normal sense an active member of a trade union. If I may put it this way, from 1924 to 1933 I was a member of a trade union because of my occupation, and from 1933 to 1963 I have been by profession an elected member of parliamentary bodies, provincial and federal. But I still maintain my interest in the trade union movement. From 1924 to 1933 I was active in a trade union, but from 1933 to 1963 I have acquired a greater experience and understanding of the trade union movement because in that period of time I had the privilege and opportunity of meeting not only the rank and file members but those in the trade union movement holding official positions. I have also been a member of arbitration boards more than once on behalf of trade unions, and have also attended trade union conventions.

I thought it necessary to outline this background to explain why I felt impelled to speak on second reading of the bill. The trade union movement is one of the most marvellous organizations of democracy that the world has ever known. It operates not only in the economic field but recognizes the democracy of parliament. The trade union movement only asks the democracy of parliament, be it the House of Commons or a provincial legislature, for the protection of its inherent democratic rights. Beyond that, however, the trade union movement—I will not say "opposed"—has always been fearful of parliamentary action to interfere with what are basically trade union principles and the internal operations and privileges of the trade union movement.

That is understandable, Mr. Speaker, because if you look at the interference of parliamentary authority as evidenced by certain legislation in British Columbia and Newfoundland you can understand the fear of the trade union movement as to the possibility of their internal rights and privileges being interfered with by law if there happens to be a government or governments which are anti-labour.

With that background I now come to the situation which we in the House of Commons face at the present time. As a member of the trade union movement since 1924, and still paying my dues, I want to say that the situation we now face is not only disturbing to the members of the House of Commons, who I feel do not want to interfere, but is most disturbing to the trade union movement itself. As was pointed out by the federal leader of the New Democratic party and emphasized by the hon. member for Winnipeg North Centre, we face extraordinary legislation because of an extraordinary situation. If there is one thing that the trade union movement does not want and will try to avoid it is parliamentary decision on a trade union matter.

To me as a member of an international trade union since 1924 there is nothing we hate to see more than that, but we in this group are prepared to face up to the issue. In so doing however, we want recognition of why this situation has been brought about, and recognition that the trusteeship must be removed as speedily as possible. Although I was prepared a day ago to go along with the decision of this group, I must say that I did so with a feeling of regret; but after what has been made evident in statements by the government of the United States and by the president of the A.F.L.-C.I.O. I now go along with this legislation enthusiastically, and I hope to explain my reasons a little later.

May I call it one o'clock?

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

Mr. Winch: Mr. Speaker, I appreciate very much that hon. members allowed me some eight minutes this morning to give the background with regard to why I felt it imperative I should speak on second reading of the most important bill now before us. Just prior to the luncheon adjournment I said that after the recess I would explain why until yesterday it was with some reluctance I felt I had to support the bill and why, in view of the developments in the past 24 hours, I now have no reluctance and will support it wholeheartedly.

May I add to some of the statements I made this morning before I give those reasons. Over the years in Canada our trade union movement has had what is known as national unions and international unions. In the past few years particularly reactionary politicians, reactionary editorial writers and a great many employers have been attacking international unions in Canada on the ground that they are controlled outside of Canada. Some years ago there may have been—I say "may have been"—some basis for that argument, but not for many years now.

In my 30 years as an elected member and 39 years as a trade unionist I have come into contact with hundreds of locals throughout Canada and many local, provincial, national and international trade union leaders. I can say without fear of honest contradiction that by far the greater majority of Canadian trade unions are autonomous, so much so that over the past few years international union constitutions have been changed at international conventions to make it clear that Canadian unions of an international nature have complete autonomy, and even some unions that have not done so by international constitutional change have arrived at an understanding that international trade unions in Canada have complete autonomy.

That is why the extraordinary statement made by Mr. Meany less than 24 hours ago is the greatest betrayal of the international trade movement that that movement has known in the history of North America because by his statement, made without knowledge, understanding or authority, he gives support to the lie that the trade union movement in Canada, in which I include myself because I am a member of a union, does not have complete autonomy.

I said before the luncheon adjournment that I would outline why I am giving complete support to the bill. First, we have the situation where an imported United States trade union gangster, racketeer and goon squad leader has brought about a reign of terror, intimidation, beatings, shootings and bombings in one of our major industries, and no responsible trade unionist or member of the House of Commons can allow that to continue. Second, despite all the efforts of the trade union movement and in particular the Canadian Labour Congress over the years they have been unable to resolve the problem on the basis of its being one of internal trade union administration. Third, every effort by the Canadian Labour Congress and the government of Canada to find a solution has been made impossible by certain United States government authorities' interference in consultation, if not in conspiracy, with reactionary trade union leaders, Mr. Meany and Mr. Paul Hall.

And fourth, that the Canadian trade union movement and the parliament of Canada cannot and will not accept outside domination of our jurisdiction and sovereignty, whether it be in the trade union or in the parliamentary field.

Never in my 30 years of parliamentary life and my 39 years of trade union life would I have thought it necessary, Mr. Speaker, to speak in this way; but this is a matter which has to be faced by all men who take on responsibility. As I have said, I have been a member of an international union for 39 years, and with that background I say it must be made clear by this House of Commons, as it has also been made clear by Claude Jodoin and the C.L.C. executive, to the governmental authorities of the United States and such trade union authorities as Mr. Meany and Paul Hall, that they must keep their sticky fingers out of our Canadian business—and I mean sticky fingers. May I say through you, Mr. Speaker—I doubt whether what I say means anything in the United States but I will say it anyway—that Mr. Meany should be told that he has set back the trade union movement in Canada perhaps 20 years by his interference in our trade union affairs, without any knowledge or understanding of them or basis of responsibility. He has played into the hands of our reactionary editorial writers and politicians and has made it more difficult for those of us who know the truth to insist on the autonomy of the Canadian trade union movement.

Others more capable than I at the resolution stage, Mr. Speaker, from the Minister of Labour (Mr. MacEachen) to the leaders of parties and others, have pointed out what we in this House of Commons, which is the sovereign body of Canada, are doing today, and perhaps tomorrow and Monday, might bring about serious consequences. That may be so, but I want to say with all the emphasis of which I am capable that if the

government of the United States through its labour department, and the reactionary leadership of the A.F.L.-C.I.O. through Mr. Meany, want to challenge the trade union sovereignty of Canada as well as the parliamentary sovereignty of Canada by taking any action in the United States, trade unionwise, continentalwise, nationalwise or parliamentarywise, to deny and to defy our rights, then God help Canada if we do not accept that challenge.

I also say that both the government of the United States and the trade union movement in the United States as expressed by Mr. Meany should realize this, that if they challenge our exports and our ships because we utilize our sovereign power, they may find it hurts them more than it hurts us, because we are the biggest importer of goods from the United States. To the best of my knowledge, for the first time in the history of this country we have had this extraordinary conspiracy by reactionary trade union leaders and labour representatives in the United States trying to interfere—not only trying but succeeding in their attempt to negate the trade union authority of Canada and the sovereignty of our parliament. I want to express the hope that the government will stand firm on the maintenance of our sovereignty and parliamentary system and tradition. I want to pay my heartfelt respects to Mr. Claude Jodoin and the executive of the C.L.C. for insisting on maintaining a position which will solve our own problems in Canada within the trade union movement, without outside influence or domination.

I cannot sit down, Mr. Speaker, without expressing what I think all of us feel in our hearts, and that is the terrific respect we have for the trade unions of Canada which have been found completely innocent by Mr. Justice Norris of any wrongdoing. We have the finest commendation from Mr. Justice Norris of the way they work as trade unionists. Our trade unions of Canada have agreed, much as they dislike it, to come under a trusteeship, the creation of which is unprecedented and is an interference in trade union affairs, if this means peace in our sea ports and on the great lakes. This is a matter which should not be forgotten, sir; it is the one found guilty which refuses, while those found innocent are prepared to go along with the wishes of the people of Canada, as expressed through their elected representatives to the House of Commons.

I do not think I need say more, Mr. Speaker. As I say, I dislike this legislation; we all dislike it; but in view of all the circumstances and the extraordinary situation which has developed in our country, and in view of the challenge to the trade unions and parliament of Canada in the form of domination by a foreign power, we have no other alternative to take, and I hope we will all be unanimous in supporting the bill before us. However, I sincerely hope the government will recognize that they can "sell" this legislation, both psychologically and by public relations, a lot better if they make the one specific change I have referred to, namely, change the limit to two years, which period can be extended if required. I think that that one change will help bring a greater understanding to the people of the country, and particularly to our trade unionists, of the fact that this is only a temporary measure for two years instead of five.

In closing, may I say I appreciate the courtesy of this house in allowing me to speak for this length of time.

Mr. H. W. Herridge (Kootenay West): I intend to speak only briefly, but after a careful perusal of the terms of the bill I rise to express my opposition to it on the following grounds: first, because in my opinion it is wrong in principle, period. In my opinion it violates the spirit and purpose of the Canadian Bill of Rights. Second, I oppose it because I think it transgresses established trade union principles which have been recognized throughout Canada to date.

I oppose it also because I believe that in order for it to be effective it must have the support of the great majority of the rank and file of the trade union movement in Canada. As a result of discussions I have had, and as a result of correspondence and telegrams I have received, I am convinced that there is massive opposition to this bill among the rank and file of the trade union movement in this country, and that this opposition is growing daily.

I also believe that if this bill is to be effective it must have the support of the United States government. It is apparent from recent statements made by the secretary of labour, Mr. Wirtz, that we cannot expect any co-operation in the administration of this legislation from that direction. I am sure that as Canadians we all resent this attitude on the part of the United States secretary of labour. I am one who resents it very much indeed. Unfortunately, however, we have to face facts, and when it comes to the administration of this legislation it cannot be effective unless we receive the co-operation of the government of the United States. This must be so because of the very nature of the industry involved.

I oppose this measure also because I believe that in order to be effective it must receive the co-operation of the trade union movement in the United States for the very same reason

as I have just given, namely the nature of this industry. It all presents a most difficult problem indeed in the absence of this co-operation. It is obvious from the statement yesterday by Mr. Meany that we cannot expect the co-operation of at least the leaders of essential sections of the trade union movement in the United States in the administration of this legislation; yet, as I say this co-operation is essential if the present measure is to be effective. Once again, like the hon. member for Vancouver East (Mr. Winch) I resent this attempt at interference on the part of Mr. Meany and the attitude taken toward this important problem by the head of an important trade union organization in the United States. Nevertheless, once again we have to face the facts and I am sure the Minister of Labour (Mr. MacEachen) will admit that this legislation cannot be administered successfully without the co-operation of the United States government and of those sections of the labour movement in the United States which are directly concerned.

Another reason for my opposition to this bill is that it completely overlooks—has cast aside, as it were—the common sense and democratic strength of the trade union movement in Canada. The rank and file of the trade union movement here have never been presented with this challenge—and I admit it is a challenge—in union affairs to correct the situation which has arisen within their own house. It has been demonstrated that this type of situation can be met by trade unions. It has been done on the Pacific coast. Some hon. members may recall the unpleasant Northland incident. They will also note that there has been very little violence, very few difficulties, in the shipping industry on that coast. In fact we have seen little of the violence which was foreshadowed at one time. Why? It is because the trade union movement in Vancouver would not stand for that nonsense. When the S.I.U. threatened violence and undemocratic practices, its leaders had to pull in their horns because of the action of other trade unionists in the city of Vancouver who accepted their responsibility as Canadians. A good example of this is the Northland affair in which the unions united against the S.I.U. At that time there were hints in the press about violence and all the danger surrounding this situation. These forecasts were not realized because a good number of the unions, supported by the rank and file of their membership, kept a constant vigil on the Northland situation by picketing 24 hours a day. These members of trade unions volunteered their services without thought of remuneration in defence of trade union democratic principles and practice established in this country. They were successful in their efforts, and the S.I.U. gangsters, if there were any around at that time, stayed in their holes and did not appear. Thus, a serious situation in Vancouver was corrected because the trade unions met the challenge themselves and dealt with it from within their own ranks. I think the government has lost an opportunity to present this challenge to the trade union movement. I believe we are underestimating the democratic strength of that movement in Canada and its understanding of the working of free institutions, whether in the union movement or here in parliament. I reach this view after conversations I have had with a number of trade unionists—good, honest people who are firm supporters of the trade union movement and who are strongly opposed to this legislation while, at the same time recognizing the responsibility which the trade unions face today to do something about the present situation.

I urge the government to reconsider this legislation and provide an opportunity for the trade unions in this country to mobilize the tremendous reservoir of democratic understanding, ability and native common sense they possess so that they themselves may have an opportunity to correct this situation in defence of democratic trade union principles and our Canadian way of life. Once again, I urge the government to reconsider the passage of this bill. I ask it to trust the working people of Canada to correct this situation, which they will, if given an opportunity.

Hon. G. J. McIlraith (Minister of Transport): I wonder whether, before recognizing the hon. member who is to follow, I might have an opportunity of passing on to hon. members a piece of information which I have received and in which the house might be interested?

Mr. Churchill: The hon. member would have to revert to motions.

Mr. McIlraith: It is very short, Mr. Speaker, and it is germane to the subject.

Mr. MacInnis: Mr. Speaker, I rise on the same point of order that I raised yesterday, and I intend to raise it on every opportunity that is presented to me by the government. It is that when a speaker rises, no matter what side of the house he is on or what position he occupies, he must first be recognized by Your Honour before he is given the opportunity to speak. I would ask Your Honour to consider this before the minister makes his remarks. I will yield the floor to the minister, but I want to see the rules followed.

Mr. Deputy Speaker: That is, of course, readily recognized by the Chair. I am sure the hon. member will recognize that when two or three hon. members rise at the same time a decision has to be made within a few seconds. In this particular instance the Chair proposes to recognize the hon. member for Cape Breton South (Mr. MacInnis). However, I understood the minister was rising on some question which I wanted to ascertain before making a ruling as to who should be recognized.

Mr. MacInnis: I appreciate that very much, Mr. Speaker, with all courtesy to you. I fully intend to yield the floor, but I want to draw to your attention that before the minister, or whoever it is, can make his remarks he must first receive recognition from Your Honour, and not just rise and suggest that somebody should yield the floor. I am perfectly willing to yield the floor to the minister, but he must first be recognized.

Mr. Deputy Speaker: Does the minister wish to make a statement?

Mr. Churchill: On a point of order—

Mr. McIlraith: Mr. Speaker, I wish to be heard on the point of order raised, before I am interrupted. I had some information that is properly part of this matter. Under the rules this information can properly be given at this time because the subject matter of the statement is directly related to the longshoremen's strike. I thought the house would be interested in it. The statement is very short. If hon. members wish to hear it, all right. If they do not, I am not making any special request. With regard to the remarks of the hon. member who was going to have the floor, I was not claiming a right to make a speech or anything of that sort. I am one who is most meticulous about the rules, and I thought I was being very courteous to all hon. members when I asked whether I could make this statement.

Mr. Deputy Speaker: I now appreciate what the minister wants to do, and that is to speak in connection with the bill that is before the house. The minister prefaced his remarks by saying his statement would be very short. In those circumstances my inclination would be to recognize the minister, on the understanding that the hon. member for Cape Breton South, whom I was ready to recognize, is prepared to yield the floor to the minister.

Mr. MacInnis: I have already done that, Mr. Speaker.

Mr. Churchill: On the point of order, Mr. Speaker, I have no objection whatever to any statement the minister may wish to make with respect to the longshoremen's strike. But no one has been a greater stickler for the rules than the minister in the past, and all I suggested was that we revert to motions, let the minister make his statement, and the house would give unanimous consent for that purpose. If it relates to the bill itself, that is a different matter, because then he is entitled to speak, the same as any other hon. member.

Mr. Deputy Speaker: That is so. I understand it is not a statement usually made by reverting to motions, but essentially a contribution to the debate in connection with the bill now before the house.

Some hon. Members: Agreed.

Mr. McIlraith: Mr. Speaker, the information that I thought would be of interest to hon. members is this. We have today advised Mr. N. R. Crump, chairman and president of Canadian Pacific Railway Company, that the liner *Empress of Canada,* which had been standing off Quebec harbour, could disembark her passengers this afternoon at the passenger terminal at Wolfe's cove in Quebec harbour. Arrangements for the handling of the ship were worked out with representatives of the international longshoremen's association at Quebec.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, in opening my remarks I would call the attention of the house to the fact that this statement was in no way associated with the bill that is before us. I do not wish to prolong the matter that is before the house. That should bring a cheer. I would, however, ask, as did the hon. member for Kootenay West (Mr. Herridge), that every consideration be given to this question before the government pushes it any further. An appeal was made in this house last night by several hon. members that we keep cool heads about this. I thought at the time this perhaps implied that I was rather excited about it. But I would ask each and every hon. member in this house whether they have given every consideration to the repercussions that may develop should Mr. Meany and Mr. Wirtz have their way and if the statements they have made receive the backing of the unions throughout the United States. Have hon. members considered the repercussions; and if so, why the haste?

The hon. member for Vancouver East (Mr Winch), I think it was, made a statement to the effect that Mr. Meany's remarks of last evening have set the trade union movement back 20 years. There must be some doubt in that particular hon. member's mind, because as I see it, if this trusteeship were to be successful it would be a step forward

for the trade union movement. I can only see Mr. Meany's statement setting the trade union movement back 20 years if the trusteeship fails. I agree that we should keep cool heads about this and should give every consideration to the repercussions that could develop from a failure of the trusteeship.

It has also been pointed out on several occasions that five unions are going to come under the trusteeship, four of them voluntarily. Knowing something of the workings of trade unions and trade union leaders, I think I can speak with some authority on this question. I referred last night to the trouble within the trade unions these days being that there are too many professionals in them. By professionals I mean men who have reached the top in particular trade unions and who at no time were ever associated with the particular work involved in that union. In other words, they have gone in as professional organizers and have reached the upper echelons of the executives of different unions, and they do not have a complete understanding of the rank and file members under them. It has been said that four unions have voluntarily or willingly agreed to come under this trusteeship. And why not? In the case of these four unions their doing this provides them with the very thing they have been struggling to get for a number of years; that is, rid themselves of Mr. Hal Banks and his union. They have everything to gain and nothing to lose by accepting this voluntarily. It is not for individuals in this house to set themselves up as judges with regard to what the rank and file members of trade unions in this country may think. But I think it is the duty of every hon. member in this house to express his feelings about trade unions and this particular trusteeship.

I would further ask the government to give consideration to the particular spot in which they have placed these trustees. In view of the actions of Mr. Banks and his goons in the last few years I believe these men will be placed in a very precarious position. There is no doubt that Mr. Banks and his goon squads have gone about this country attacking people in their own homes. I think they have even gone so far as to beat up pregnant women. What is to stop them intimidating and possibly doing bodily harm to the trustees who will be appointed by this government? What is to stop Mr. Banks from spreading his goon tactics?

Mr. Douglas: The laws of Canada.

Mr. MacInnis: Apparently the laws of Canada have not been able to deal with Mr. Banks so far. This raises the point that this government should have acted long ago in this matter. Last night, for obvious reasons, I could not refer to the Norris commission report, but I would call the government's attention to the recommendations on page 311 under the heading "Prosecutions". I think if these had been put into effect previously Mr. Banks would today be in the position he should be in, namely behind bars, where he could do no harm to anyone. The deportation of Mr. Banks or dealing with Mr. Banks in any other way than putting him behind bars will not erase the fact that he will be able to operate in the same way that he has operated in the past, from any location to which he may go in the future. If he is deported he can go across to Buffalo, or to some other area, and carry on his goon tactics just as well from that side of the border as he has from this side. There is only one remedy for Mr. Banks, and that is to put him in a place where he can do no harm. I believe that if this government had taken the initiative and acted on the Norris commission report which recommended prosecution of Mr. Banks, rather than adopting the recommendation to set up a trusteeship, it is quite possible that the trade union movement would not have been faced with this trusteeship. I deplore the continued reference to the free trade union movement, in view of the fact that this trusteeship is now going to be imposed.

Why were those recommendations of Mr. Justice Norris not followed out? Why were the prosecutions not instituted? As I have said before, if this trusteeship is set up, and apparently it is going to be, then members of this house will look to the minister for a report on how this trusteeship is working. We will have the minister rising day after day, as ministers do in connection with so many other agencies in this country, and tell us that he is awaiting a report. As soon as he receives it, he will give it to the house. Then, the following week there will be similar questions and a similar answer will be given. The members of this house will be unable to receive answers to questions about this trusteeship and how it is working. If initiative had been taken on the first recommendation and Mr. Banks had been prosecuted, it is quite possible that today the future would hold brighter prospects than it does when we consider the imposition of trusteeship on the trade unions of this country.

Now, a request has been made by the leader of the Canadian Labour Congress that the trusteeship be restricted to the maritime unions. Well, there is nothing wrong with that request. However, let no one say this is not a precedent. We are going to have a hard time making that statement stick. Let any trade union become involved in a dispute in the future, and someone will come to the

government and ask for the imposition of a similar trusteeship. Reference can be made to this as a precedent. No amount of talk can get around the fact that you are, for the first time in any English speaking country, imposing trusteeship upon the free trade unions. The precedent will be established, and you can look for trouble in this field in the future. In fact, if such a trusteeship had been in effect a couple of years ago, something could have developed in the Sudbury area where there were charges flung back and forth between two unions in connection with raiding. This is much the same type of situation.

Again, I say hon. members are not too sure about this. The hon. member for Vancouver East (Mr. Winch) said a few minutes ago that he was in full support of this trusteeship, but he is not too sure that it is going to work. I am not too sure about it, either. I hope I am proven wrong. There is nothing I would hope for more than that this trusteeship would be successful. As I have said, especially following the statements by Mr. Wirtz and Mr. Meany, I cannot believe this is going to prove successful in any way, shape or form. I repeat what I said last night, that in order to make this trusteeship work, full agreement and co-operation between the govenment of the United States and the government of Canada will be required. Without this full co-operation, no trusteeship is going to work.

As I have said, hon. members who support this measure are not too sure that it is going to be successful, but they are willing to support it. I refer to the remarks just made by the hon. member for Vancouver East. He said that the statement by Mr. Meany had set the Canadian labour movement back 20 years. This is only true in part, because I see this as a great forward step if it proves to be successful. If it does not prove to be successful, then the hon. member is correct and this labour movement is set back 20 years. Most hon. members who have supported this trusteeship have, at the same time, expressed doubt that it will ever work. In going along with these other members, I would sincerely ask the government to give consideration to the repercussions that will follow if the trusteeship does not work. The chances of its working now are only 50-50. I think that a concentrated effort should be made by the Prime Minister (Mr. Pearson) and the President of the United States to assure that, if this trusteeship is necessary, then the necessary protection and service will be given to Canadian ships visiting United States ports.

Mr. Real Caouette (Villeneuve): Mr. Speaker, I should like to say a few words in this debate. During the past few days we have

[Mr. MacInnis.]

listened to statements to the effect that Mr. Banks is a criminal, yet we find that Mr. Banks is still free in this country. If he is a bandit or a criminal, why in the world are we tolerating that man in our country? The government has decided to introduce legislation to impose trusteeship on the unions. I feel this trusteeship will not settle anything, if our syndicates as well as our workingmen are still at the mercy of some United States union leaders who, in my opinion, may have given orders which would cause Canada trouble in trying to deliver goods that have been sold to other countries in the world. If this is so, then I think it is time the government took strong action against these outsiders, who are trying to tell us in Canada what to do.

[*Translation*]

Mr. Speaker, we give our support to union members everywhere in Canada, but we are strongly opposed to certain union leaders who, instead of showing some respect for workers, are exploiting them shamelessly, as is the case within the union we are discussing at the present time.

Certain union leaders, as everybody knows, are paid more than the President of the United States and seem to have things pretty much their own way in labour-management relations. It is time we found out whether those individuals are organizing or disorganizing labour.

Our Canadian workers are not revolutionaries, but some union leaders are. The case of Hal Banks shows quite clearly that we must remain continually on the alert in our relations with such people.

Mr. Speaker, the government should take the necessary steps to encourage in every way possible those unions which are essentially Canadian.

We must stop, in labour unions and elsewhere, taking orders from foreigners who know nothing about our needs concerning labour, production, planning and the economy.

I feel the government would be giving substantial assistance to labour unions if it recognized only worthy representatives and essentially Canadian unions which would be contributing to the development of our national economy.

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker—

Mr. Deputy Speaker: Order. I should bring to the attention of the house that if the minister speaks now he closes the debate.

Mr. MacEachen: Mr. Speaker, first of all I wish to thank hon. members for their remarks and contributions on second reading of the bill. I will not detain the house for any great period of time, except to make a few comments with respect to a number of points made in the debate.

As is evident in the preamble to the bill, and as is evident from the Norris inquiry upon which the bill in a sense is based, the purpose of this action is not to put free trade unions under trusteeship. The purpose of this action is to restore freedom and democratic practices in the principal trade union that will be affected by this trusteeship.

The additional four trade unions which will be under this trusteeship have willingly accepted, without any pressure or coercion, their inclusion within the trusteeship in the interests of cleaning up this situation. Surely the leaders of these four unions realize what free trade unionism means? Surely they understand the established trade union principles that have been mentioned by hon. members? Yet, notwithstanding these considerations they have of their own volition accepted what might be called this sacrifice in the interests of restoring democracy and freedom to the seamen who are presently denied these practices. That is the purpose of the legislation.

It is also a fact that after careful study and soul-searching the executive committee of the Canadian Labour Congress, and later the executive council of the congress, accepted the necessity of this action and agreed to co-operate with the purposes of the trusteeship. Surely these men understand free trade unionism and established free trade union principles, yet they have said that this is a necessary act to be taken.

Hon. gentlemen have expressed reluctance about the action now proposed, but there is no one more reluctant, or has been more reluctant, to undertake this action than I, because it is unprecedented and extraordinary. But it is done because of the extraordinary difficulties that existed and because no effective alternative had been presented. We did search vigorously for an effective alternative, an inter-union arrangement, but I think hon. gentlemen will agree with me that it was right and proper for the government and the Canadian Labour Congress to refuse an inter-union agreement with the arrangements that had been proposed.

We were willing to pay a price for a private arrangement, in the sense that it would depend upon the consent of many elements in the trade union situation whom we would expect to act in good faith. We were willing to assume good faith, and ready to accept an inter-union arrangement; but surely it was wrong to ask that a Canadian problem should not be determined by Canadians in the final analysis. That was the basic ground for this refusal, combined with the fact that there was no clear provision that the trusteeship could act effectively in given situations when the third person and his nationality were undetermined.

No one who contributed to this debate has proposed an alternative to this action. No one has proposed an alternative that would deal with the situation. That is a fact; and when the Norris commission report came out and the trustee recommendation was under consideration we always came back to the question, what is the alternative to a public trusteeship? No alternative has proved possible, and that is why the government is taking this action.

It is a fact that the trustees can deal with the situation in Canada. What happens in the United States is a matter for the United States government and union leaders in the United States, who are themselves committed to the proposition of civil rights for all trade unionists. In this situation we must rely on and expect co-operation in the United States in order that this trusteeship be made fully effective.

Today the Prime Minister made a statement on behalf of the government with respect to statements made yesterday in Washington. I do not intend to add to that statement, except I think it would be wrong to conclude, as did one speaker this afternoon, that the government of the United States will not co-operate in this situation.

The final paragraph of the statement issued by Mr. Wirtz reads as follows:

> It remains a matter of utmost importance that there still be found a way of resolving these difficulties which will result in strengthening the ties of common interest which link Canada and the United States, particularly in our common use of the waters which we both border. I have expressed through formal channels the continuing willingness of the United States government to seek an accord which will meet fully the public as well as the private interests which are involved here.

We must realize that in this situation, and in the event of repercussions in the United States we shall have to rely upon the good faith and co-operation of the United States government and the good faith and co-operation of responsible trade union leaders in that country.

I was especially appreciative, Mr. Speaker, of the comments made by the hon. member for Port Arthur—

Mr. Diefenbaker: Before the minister continues may I ask him a question? As I read Mr. Wirtz' statement the co-operation was

apparently to be determined on the basis of whether or not the Canadian parliament proceeds with the appointment of trustees. In view of Mr. Wirtz' antagonism to the setting up of this trustee board, has the minister been in touch with Mr. Wirtz to ascertain whether the United States government, and its department of labour in particular, will co-operate and carry out the fine sentiments expressed in the paragraph just read by the minister, when and if parliament passes this legislation?

Mr. MacEachen: I accept these words of the secretary of labour which I have just read as an expression of the willingness and interest of the United States government in co-operating in this situation. As I say again, we must in this situation rely on the co-operation of the United States government and leaders of trade unions in the United States for situations which develop in that country and which are beyond the reach of Canadian law. There is no doubt about that.

I was appreciative of the comments made by the hon. member for Port Arthur (Mr. Fisher) who expressed the importance of united support for this particular proposal. I was also appreciative of the comments of the hon. member for St. Lawrence-St. George (Mr. Turner) who reminded us that in taking this action at the present time we must be prepared to support the trusteeship over a period of time and not weaken in our determination, in the event of future difficulties.

Because of the necessity of having, as I think I have, the assurance of the House of Commons, and because I think the House of Commons is the expression of Canadian public opinion I should like on second reading to have the support of Canadian public opinion and the support of all political parties in the House of Commons for this action expressed in a formal vote.

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

Mr. Pickersgill: Would you call for the yeas and nays, Mr. Speaker?

Mr. Speaker: Those in favour will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those against will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker: Call in the members.

[Mr. Diefenbaker.]

The house divided on the motion (Mr. MacEachen) which was agreed to on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Asselin (Richmond-Wolfe)
Badanai
Baldwin
Barnett
Basford
Batten
Beaule
Bechard
Belanger
Bell
Benidickson
Benson
Berger
Bigg
Boulanger
Byrne
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Cantin
Caouette
Cardiff
Cardin
Caron
Casselman, Mrs.
Chapdelaine
Chatterton
Choquette
Churchill
Coates
Cooper
Cote (Chicoutimi)
Cote (Longueuil)
Cowan
Crouse
Davis
Deachman
Denis
Deschatelets
Diefenbaker
Dinsdale
Dionne
Doucett
Douglas
Drouin
Drury
Dube
Emard
Ethier
Fisher
Fleming (Okanagan-Revelstoke)
Forgie
Foy
Francis
Garland
Gauthier
Gelber
Gendron
Godin
Gordon
Grafftey
Gray
Greene
Gregoire
Guay
Gundlock
Habel
Hahn
Haidasz
Hamilton
Harkness
Harley
Hays
Horner (The Battlefords)
Howard
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jones
Jorgenson
Kelly
Kennedy
Klein
Knowles
Korchinski
Laing
LaMarsh, Miss
Lamb
Lamoureux
Laniel
Laprise
Laverdiere
Leduc
Lessard (Lake St. John)
Lloyd
Loiselle
Loney
Macaluso
Macdonald
MacEachen
MacEwan
MacLean (Queens)
MacNaught
Macquarrie
MacRae
McBain
McCutcheon
McIlraith
McIntosh
McNulty
McWilliam
Madill
Mandziuk
Marcoux
Martin (Timmins)
Martineau
Matheson
Matte
Millar
Mitchell
Moreau
Muir (Lisgar)
Mullally
Munro
Nasserden
Nesbitt
Nicholson
Nowlan
Nugent
O'Keefe
Olson
Orlikow
Ormiston
Ouellet
Pascoe
Patterson
Pearson
Pennell
Pepin
Pickersgill
Pilon
Plourde
Prittie
Rapp
Regan

Rheaume	Temple
Ricard	Thompson
Richard	Tucker
Rinfret	Turner
Robichaud	Vincent
Rochon	Wahn
Rock	Walker
Rondeau	Watson (Assiniboia)
Ryan	Watson (Chateauguay-
Scott	Huntingdon-Laprairie)
Sharp	Webb
Simpson	Webster
Slogan	Weichel
Smallwood	Whelan
Southam	Willoughby
Stenson	Winch
Tardif	Winkler
Teillet	Woolliams—181.

NAYS

Messrs:

Herridge	Nielsen
MacInnis	Peters—4.

Mr. Speaker: I declare the motion carried.

[*Translation*]

Mr. Lachance: Mr. Speaker, I was paired. Had I voted, I would have voted for the motion.

[*Text*]

Mr. Cashin: I was paired. Had I voted I would have voted in favour of second reading.

Bill read the second time, and the house went into committee thereon, Mr. Lamoureux in the chair.

On clause 1—*Short title.*

Mr. Douglas: I recognize that the preamble to the bill is discussed at the end of the passage of the bill through committee of the whole. However, I want to raise something that is in the preamble, so the minister will have a chance to look at it and prepare any changes, if he wants to make them.

I draw the attention of the committee to the second paragraph of the preamble which reads as follows:

> And whereas the said report ascribes this situation to the fact that the democratic processes within certain maritime transportation unions have been avoided or undermined to the prejudice of the welfare and rights of seamen and the national and public interests of Canada;

I draw attention to the words "maritime transportation unions", which are used in the plural. Now, the report of Mr. Justice Norris made it abundantly clear that the other four unions involved had a clean bill of health; that they were carried on democratically, that their welfare funds were solvent. The minister himself, in closing the debate just a few minutes ago, paid tribute to the other unions. It seems to me that it is a very serious reflection on the other maritime unions to have this attack, which was supposed to be directed against one union, directed against all the unions. When it says "unions", that means two or more, and that means at least one other union in addition to the S.I.U has been guilty of destroying the democratic processes and acting contrary to the public welfare.

I feel this is probably a typographical error or it is sloppy drafting. However, I draw it to the attention of the minister so that when we come to the preamble, which is generally the last thing to pass, he may prepare an amendment to it.

Mr. Gelber: I should like to add a word to the discussion on this very important subject. It is with reluctance that a trusteeship is proposed over trade unions. The rights of labour are an important part of human rights and fundamental freedoms. Free trade unions flourish in a free society. The purpose of the present bill is not to abridge the rights of labour to organize and to be democratically represented, but to ensure that these rights are protected.

I am reminded of a story told by a southern senator of a fellow who clenched his fists and went down the street swinging his arms. He hit a bystander on the nose. The bystander protested, and the fellow said, "I have a right to swing my arms." The bystander said, "Yes, you have a right to swing your arms, but where my nose begins your rights end."

In exercising its authority on the great lakes, Mr. Chairman, a union has been denying many workers human rights and fundamental freedoms. Acts of terror have been rampant. Men have been dragged off ships, assaulted on the streets, harassed, beaten, bullied, crushed into submission. Raids have been conducted on other unions and their machinery of operation brutally appropriated. In all this struggle over a period of years, where have been the forces of law and order? Why have culprits not been apprehended and dealt with by our courts? How could this state of lawlessness proceed without lawful retribution? Certainly, the guilt is even wider than the union which has been indicted in the court of public opinion.

If, in the past, federal authorities performed their duties in maintaining the laws of this country, how could the government have received a letter from a shipping company acknowledging that it had been bullied into an agreement with a union in defiance of the laws of Canada, without action being taken? What about provincial authorities? The administration of justice is a special responsibility of the provincial governments. How could these lawless events have persisted over a period of years while the guardians of the law turned aside from their duties?

This government has been most wise in exhausting the possibilities for a private settlement. An agreed solution that was both strong and effective, such as the Minister of Labour has assured the house he has sought, would be much preferable. The imposition of trusteeship on trade unions, even for a short duration, is not a happy solution. We need the co-operation of the international trade union movement, since our trade unions are generally part of a Canadian-United States structure, and because our ships are sailing in international waters. If we are denied this support, many pitfalls are open. We could be faced with a challenge from sister unions across the border.

It would be helpful to have the support of the United States administration. In addition, there is suspicion of public trusteeship within Canadian trade unions themselves. More especially, for all of these reasons, it has been necessary for the government to seek patiently for a voluntary and effective solution within the trade union movement. And now, if a government trusteeship is to be imposed, it is important, not only that justice be done but, as wise judges have said, that justice appears to be done. The patient search for an effective voluntary agreement was the path of wisdom. The government, in following this statesmanlike course, is to be commended.

The craft trade union movement of Canada, from the days of Samuel Gompers and the knights of labour, is one of continental growth, and leadership has come first from the United States. In addition, the contribution of John L. Lewis and the united mine workers of America in the development of industrial trade unionism leaves the Canadian unions much in their debt. Many important and progressive craft and industrial unions have provided the core of our trade union movement. Their responsibility is a hallmark of our democracy. The present struggle can be an important turning point in trade unionism on this continent. The voice of the Canadian Labour Congress has not prevailed in the councils of the A.F.L.-C.I.O. in matters concerning Canadian labour.

We may now see a polarization of continental unionism, and a more independent Canadian movement. We are witnessing a failure of continental leadership. The hon. member for Winnipeg North Centre has praised the accommodation within the Canadian Labour Congress of national and international unions. I cannot be as sanguine as he that this era will return. It is a surprising thing that the leaders of the A.F.L.-C.I.O. did not go all out to accommodate the Canadian Labour Congress in setting up a private union trusteeship. The leadership of the international movement is strongly opposed to government intervention and the Canadian Labour Congress was available to serve. Thus, they could have their cake and eat it, provided the preservation of the status quo on the great lakes, or something approaching the status quo, was not their aim.

The report of Mr. Justice Norris is not as helpful as it might have been. He has proposed serious procedures, but has not examined them. An analysis by the commissioner of the constitutional and other practical problems facing a government trusteeship was certainly called for. Did Mr. Justice Norris consult the very able counsel of the royal commission in formulating his report?

In this country, we want to see a free, strong, independent trade union movement give effective leadership in the many important areas of industrial and public life, where labour in Canada has shown such responsibility. The surest guarantee of wise government trusteeship is that the trustees should be reluctant to assume their jobs, anxious to complete their work well and effectively, and return the affairs of the unions to their members, where they belong.

Mr. MacInnis: Will the hon. member permit a question?

Mr. Gelber: Certainly.

Mr. MacInnis: I do not really know how to put the question, but the hon. member amazed me by coming forward now with criticisms of the Norris commission report which I feel would have been more suitable on the resolution stage.

Mr. Baldwin: Mr. Chairman, this is an extraordinary remedy, but I assume it is directed towards an extraordinary situation. Nevertheless such legislation, no matter what evil it may tend to be directed towards, must be founded on proper constitutional grounds, and this is the point I would now like to make.

I should say to the minister through you, sir, that this is an issue which is raised in the preamble, which has been referred to by the hon. member for Burnaby-Coquitlam, and it may well be raised at a later point; but as I bring it to the minister's attention at this stage perhaps he can deal with it now or later.

I first call to the attention of the committee the fact that on August 2, as reported at page 2943 of *Hansard* for that date, this matter was brought up by the Leader of the Opposition

who asked whether the government was concerning itself with the introduction of legislation to implement recommendations of the Norris commission.

Dealing with the question of when the legislation would be introduced the Prime Minister said:

> It would be impossible in the circumstances to have this difficult and complicated legislation prepared within a matter of weeks. It may require a strict examination of the constitutionality of the legislation—

—which I thought was a very sensible observation.

In the preamble to the bill I note these words in the first paragraph:

> It was indicated—

—referring back to the report—

> —that within the shipping industry in Canada an emergency situation has developed that endangers navigation and shipping on the St. Lawrence seaway with a consequent threat to the economy of Canada, the international relations of Canada, and peace, order and good government on the St. Lawrence seaway—

It may well be, and the minister may be able to answer this, that because the federal government has in the past occupied the field of labour relations with regard to matters which are under the competent jurisdiction of the federal government, that occupation permits it to proceed with this legislation by itself, and to pass legislation which may, and probably does to some extent, invade the property and civil rights jurisdiction which was allocated to provincial governments. But, I am concerned with the fact that the government may be attempting to break new ground here by using the words "an emergency situation has developed" in a particular sector of the country, and making reference to the "peace, order and good government" in a particular section of the country.

As you are aware, Mr. Chairman, the British North America Act in section 91 does provide that the federal government may, among other things, "make laws for the peace, order and good government of Canada," but I have never understood this to mean that, should an emergency develop in any one part of Canada, the federal government may legislate in matters not otherwise in its legislative competence. I think this has been held in cases which dealt with emergency legislation following world war I. I am not going to refer to the cases, but there are very definite limitations on the extent to which the federal government may legislate under the guise of an emergency. I think this applies also to the right to legislate in respect to the making of laws "for the peace, order and good government of Canada."

I am not offering this in any spirit of mischief, but in passing legislation of this kind we should be assured by the minister, particularly in the light of what was said by the Prime Minister on August 2, of the basis on which this legislation is founded, and if in effect the constitutional authority is either on the ground of the right of the federal government, having dealt with labour legislation in federal matters, to pass this particular act, or whether the use of these words in the first paragraph of the preamble are significant, and the government is attempting to found the legality of this enactment because an emergency situation has developed in one part of the country and there is a desire to pass laws for the "peace, order and good government on the St. Lawrence seaway." If this is the case, then this is a matter which will require some consideration.

Mr. Orlikow: Mr. Chairman, it is not my intention to hold up this bill. Hon. members of this group have indicated that we support the principle, but this is the first occasion that we can express our very great objection to the fact that this legislation is discriminatory. It has been said that justice must not only be done but it must also appear to be done.

One thing becomes clear from reading the Norris report and that is that the maritime industry is in trouble not just because one of the trade unions was controlled by a gangster, Banks, but because a big shipping company was willing to work with that union and with Banks. I do not know if the minister has read the whole report, but in one section Mr. Norris quotes Mr. Dunkerley, after counsel for the commission had questioned the other shipping companies about the difficulties they had encountered with prayer meetings which were used to disrupt their orderly operations, and Mr. Dunkerley makes it very clear that Canada Steamship Lines never had prayer meetings.

Mr. Dunkerley also says that any time they had trouble they could get quick results by going to the top, to Banks. Another thing which is evident to anybody who can read and think, is that Mr. Banks never did anything for nothing. If Banks gave a favour to somebody he got a service in return.

I join with other hon. members in expressing the hope that the government will quit its delay and get on with the processing of the report of the special counsel appointed to inquire into the possibilities of bringing prosecutions against Banks and the shipping companies involved.

Now, however, we get a bill to enact the maritime transportation unions trustees act, and after two days of discussion and after at least half a dozen members have spoken about the faults of one particular shipping company, the minister completely ignores

those remarks. Does he feel that the shipping companies are free of guilt, or does he feel this is not the place to mention it? Will there be prosecutions and will the shipping act be amended? The committee deserves to know these things. The labour unions of Canada, which on the whole are clean, deserve to know from the minister what he intends to do. Are we going to have in 1963, as we have had so often in the past, prosecutions and a clamping down on trade unions while people in power, with money and influence, get off scot-free? The people of Canada are entitled to an explanation.

Mr. Francis: Mr. Chairman, we have listened to a great deal from all sides of the house, all favourable to this legislation. The house, in a most impressive display of unanimity, has endorsed a far reaching piece of legislation which I am sure is repugnant in principle to very many hon. members. I can recall the chairman of the war labour board in the United States saying the state must be very careful before it displays its own naked power. In a situation like this we are using the powers of the state to achieve a purpose which must be achieved.

I am very proud indeed of the Minister of Labour, the caution with which he has approached this matter and the thoroughness with which he has investigated all the ramifications before action was taken. There are those who felt that the government should have rushed into action before now. There are others, such as the hon. member for Port Arthur, to whom I listened with a great deal of attention, who gave us an insight into the reasons why the parties to this dispute have been led to the positions they have taken.

Nevertheless the public interest is paramount. The time has come when we all recognize that we must take the step of using the power of the state to dispossess a union leader, whom all of us have come to recognize as an evil force in organized labour. We believe in free collective bargaining. We believe in leaving as much as possible to the free determination of unions and management within the framework that has been evolved for the solution of labour disputes.

This is a situation that goes beyond the normal circumstances of collective bargaining. This is a situation in which the unusual and far reaching action of imposing a government trusteeship has been adopted by, as I said, a rare display of unanimity in this chamber.

It would be foolish indeed to think that by simply adopting this legislation we can anticipate that certain results will follow. There is a very great burden upon those chosen as trustees. As was indicated before, the testing point will come when negotiations for a contract reached their final stage. What kind of contract will be worked out? What kind of democratic union will be worked out within the framework of the trusteeship? What will be the conclusion of the trusteeship? How will it terminate? How will we guarantee that at the end of the period of government operation of not only one union but a group of unions we will have evolved a democratic structure which will be welcomed by the same unions within the ranks of Canadian organized labour that have welcomed government action in these circumstances?

This dispute has taken on an international aspect that again is a little repugnant. I cannot add to what has been said so very well by the Prime Minister, the Leader of the Opposition and the spokesmen for the other parties. There is a challenge to our right to govern ourselves as Canadians within Canadian institutions, and we are seeking to assert this right through this measure. We are confident at the same time that the administration of this measure will be in accordance with the principles of democratic collective bargaining, fully respecting the rights of the parties to the dispute. We are under no illusion with regard to the potential dangers of this task but there is no other choice before us.

Mr. Nielsen: Mr. Chairman, I think that the committee is entitled to hear my reasons for voting against second reading of the bill and I wish to take this opportunity to put those reasons on record, so there will be no misunderstanding. In order to avoid repetition may I say at the outset that I endorse fully the remarks made by the hon. member for Cape Breton South who voted with me on this side of the house against the measure. The views expressed by him would have been expressed by me had I spoken on second reading.

I too express surprise at the parliamentary secretary to the Minister of Labour voting for the measure, since he is a member of the same union that I and the hon. member for Kootenay West, I believe, are, and since that union, the mine-mill union, has expressed the view that this is a problem which the workers themselves should clear up without the imposition of legislation that imposes upon their freedom. When the parliamentary secretary spoke to the thirteenth convention of the mine-mill union in Sudbury last September he singled out the fact, as reported in the latest issue of the *Mine-Mill Herald*, that mine-mill was the first international union to endorse the principle of Canadian autonomy for its Canadian section. He stated, and here

I quote the *Mine-Mill Herald* which has the words in quotation marks:

"This is a move I believe others envy particularly at this moment."

I would assume that implicit in those remarks was a reference to the situation on the great lakes which was confronting the government.

The basic reasons for my not finding it possible to support the measure on second reading are these. I believe that the powers given to the government trustees are much too broad, if they are required at all, a matter concerning which I will have a word or two to say in a moment. I believe the legislation is unconstitutional since in my view it interferes with the property and civil rights of citizens and goes beyond the scope of the powers of this parliament. I believe also that the establishment of a board of trustees with the prime purpose ostensibly to shunt Banks out of his position of power is not going to solve the situation at all. I believe, as the hon. member for Cape Breton South said, that this legislation is going to cause more difficulties than the government is already faced with because I believe we are embarking on an international war between the American sections of the maritime unions and the Canadian sections. I think this is particularly so, because as I understand the intention of the government two Canadian trustees and one American will be appointed. The minister shakes his head so I assume this is not the case. I can only proceed on the assumption that there are going to be two American trustees and one Canadian trustee, which makes the situation even worse.

Mr. MacEachen: Three Canadians.

Mr. Nielsen: This simply points up the validity of my fears and those of the hon. member for Cape Breton South, and others who have spoken against the measure, that international strife will develop particularly because of the exclusion of the Americans.

I think that one thing which perhaps might have been done, as suggested by the Leader of the Opposition, was to seek the assurance of Mr. Wirtz that there would be United States co-operation, a question which I do not believe was answered by the Minister of Labour. Apart from his reading a paragraph of the statement made by Mr. Wirtz, he has given us no assurance at all that he has consulted with Mr. Wirtz to obtain from him an unassailable guarantee that co-operation on the part of the United States government and labour leaders will be forthcoming. If he had held such discussions, and this is one of the alternatives which the minister was perhaps seeking, it is quite possible that concurrent legislation could have been passed in the United States that might have effectively accomplished the creation of that situation on the great lakes which is the desire of everyone.

I think there is another solution. Everyone seems to have laid the strife on the great lakes at the doorstep of Harold Chamberlain Banks, and I believe rightly so. Everyone I have heard speak in the house on this measure has said it is most regrettable that this legislation must be passed, and everyone who has spoken has left me with the impression that the reason for the legislation is because of the activities of Banks. I should like to pause for a moment to read into the record the official views of the union to which I belong. This is an editorial from the *Mine-Mill Herald* dated October 1963, written by Mr. Smith, president of the mine-mill union, who writes most of the editorials. He has this to say in an editorial headed: "Both a tragedy and a farce".

The man who said that when history repeats itself it is a tragedy the first time and a farce the second, must now be scratching his head searching for a new definition when he looks at the situation pertaining to Canadian seamen, the Norris report, the antics of Meany and Jodoin, etc., etc.

Let's get what really happened set down and that is no small chore and requires very considerable mental agility to follow the turns and twists of official government and trade union policy.

First, the Canadian seamen had a union of their own that fought to improve their conditions and that had succeeded quite well. Second, under the guise of "anti-communism" the Canadian government, the American state department and the official heads of the trade union movement on both sides of the international border moved everything at hand to smash that union, the C.S.U., and replace it with the goon squad rule of Harold Chamberlain Banks, strong arm convict from the U.S.A. Do-not-ship lists were set up to break the backs of those still sailing who did not agree with these "tender" ministrations and forever keep them off the water. The U.S. state department was happy, the Canadian government was happy,—

May I just pause here to say that I cannot help but think of the exchange which took place when discussing this measure between the Secretary of State and hon. members on this side. I recall the time the Canadian government allowed the entry of Banks into this country, and when the secretary of state for external affairs—I say this without malice at all—had before him the order in council with the record of this man attached to it, a record as long as your arm, he approved his application and allowed the appeal of Banks that he be allowed to stay in this country. I cannot conceive how a thing like that was allowed to happen. Continuing with this editorial:

The U.S. state department was happy, the Canadian government was happy, the shipping companies were happy, Banks was happy...everybody was happy except the seamen that had lost their union and their jobs.

Maritime Transportation Unions

Now short years later everybody is unhappy again including the Canadian government that brought Banks here and they are threatening to put his union under a government trusteeship.

Claude Jodoin who helped directly to bring Banks into the country now is making noises that international unions should not interfere in the internal affairs of Canadian unions. We suggest mildly that this is a change because obviously Banks was brought here with Jodoin's assistance for precisely that purpose.

I recall reading a press report concerning Mr. Jodoin, who said of Banks that here is a man who is well on the way to making a good Canadian citizen.

We also recall that a major result of these carrying's on by Jodoin & Co. was the wholesale scuttling of the Canadian merchant marine so that all Canadian shipping became by and large dependant on U.S. bottoms.

At any rate this has all the elements of "tragedy" and "farce" and there can be no solution until the seamen and the workers of Canada proclaim and demand their right to clean up the bloody awful mess. The trickster manoeuvering of a Jodoin who piously now proclaims against the "domination" of U.S. international unions at the behest of the Canadian government that wants to put further shackles on the Canadian unions through their trusteeship, makes nothing but a mess.

The struggle for Canadian independence in general and the struggle specifically for Canadian independence in the trade union movement will grow apace in the days ahead.

As the pioneer international trade union organization that established Canadian autonomy and independence we hail every genuine move in this direction and pledge to stand shoulder to shoulder with anyone who supports that struggle.

We call for an all out offensive by the Canadian workers to put a stop to the farces and the tragedies visited upon them by virtue of the foreign domination of our affairs through the international unions. Canadian workers can do quite well without that, as they can do without the puppet-like capers of Jodoin and his international backers.

Mr. Douglas: Does the hon. member agree with the sentiments expressed in that editorial?

Mr. Nielsen: Some of the words used are stronger than words I would use, but I agree with the general principle that affairs of unions should be left to the seamen and the workers themselves to settle. I also agree with the sentiments expressed concerning the Canadian section of the maritime unions being controlled by international unions.

Mr. Orlikow: Would the hon. member permit a question. I should like to ask him whether he thinks Harvey Murphy is a better trade union leader in Canada than Claude Jodoin.

Mr. Nielsen: Mr. Chairman, I wonder how well the hon. member knows Harvey Murphy. I know Harvey Murphy and have had many discussions with him. Despite the fact that some very poor opinions may have been held about Harvey Murphy owing to his past activities and circumstances, I feel that Harvey Murphy has been one of the leaders, at least in the north from where I come, in the fight to obtain benefits for the miners in that part of Canada which they would never have received had it not been for Harvey Murphy. I think the parliamentary secretary to the minister will endorse that statement. I heard that a mine manager from Yellowknife once said of Harvey Murphy at a recent meeting that if it had not been for his presence at that meeting the agreement they were discussing would never have been negotiated.

I should like to quote from the last edition of the *Mine-Mill Herald* which deals with the address the parliamentary secretary made to the thirteenth convention of the union, and I am sure he will welcome this reference.

—Mr. Byrne did take issue with those who attack the union when he said with reference to the "communist" smear against the union "if the political belief of the members of a union, rather than its accomplishments on behalf of its membership, are to be the criteria upon which the right to existence is judged, then there would be many strange and varied statutes drawn up throughout Canada... the former prime minister's civil rights act would be nothing but a mockery."

I agree 100 per cent with the sentiments expressed there by the parliamentary secretary.

Since everyone seems to have at the back of their minds the elimination of Banks as the cancerous growth at the root of all the strife on the great lakes, I was going to advance another possible alternative, which is action along these lines. The preamble to the bill says that the reason for its passage is because we are confronted with a national emergency, owing to the economic havoc being wrought by the lack of peace on the great lakes. If we are, indeed, confronted with a national emergency, is there not some other method of dealing with the situation? Could we not take action along the same lines as the action we might take in dealing with an emergency at a time when this country was actually involved in a war—and, in effect, this is what is taking place on the great lakes now. If I understand the legal position correctly, Banks is a landed immigrant, not a Canadian citizen. Would it not be possible to amend the Citizenship Act by inserting a section providing specifically, if you wish, for the deportation of Banks as an undesirable individual who should not be allowed to remain in Canada? I think it would be possible to do this. True, it would be an extraordinary measure, but then so is the present legislation. It seems to me the government could have amended the Citizenship Act so as to provide that Mr. Banks no longer had the right to remain in Canada. In my view it would be better to have

done this than to have brought in this trusteeship measure which will merely result in the nationalization of the trade unions on the great lakes. If the government would exert its efforts to bring to the seamen realization that, once Banks had been removed, they would be responsible for electing new officials—strong men imbued with the democratic spirit of free trade unions—we might have been better off than we are as a result of the introduction of the legislation now proposed.

Everybody has had a crack at the shipping companies. If we intend to nationalize the unions, to impose a trusteeship, to take over, in effect, the assets and property of the unions, including their power to make promissory notes and so on, why do we not nationalize the shipping companies as well?

Some hon. Members: Hear, hear.

Mr. Nielsen: Everybody is blaming the shipping companies for their part in this affair. It has been said that they and Mr. Jodoin, together with the government, were those responsible for bringing Banks into Canada under the guise of anti-communism. If we intend to press an extraordinary measure of this kind on the trade unions, why not impose a similar one on the shipping companies? What assurance have we now that the shipping companies will fall into line with the wishes of the government? From what I have heard of the representations made by Mr. Leitch, there is no assurance of his co-operation. Maybe the minister has received certain assurances. I do not know.

The last thing the government should do, in my opinion, is to usurp the right of a trade union to manage its own affairs. That is what is now being done. I agree, as do all other hon. members, that Banks should go. If there is no method of prosecuting him and putting him in jail, then, surely, the procedure of amending the Citizenship Act, along the lines I have suggested, would provide a means of kicking him out. This course should have been considered, rather than a measure such as we have before us now—legislation which, in effect, takes the power of managing their own affairs away from the seamen and workers who make up these trade unions.

I do not think the government should have considered interfering with the rights and freedom of a trade union. I do not think they should have considered imposing trustees to manage the affairs of a trade union, any more than they should have thought of imposing a trusteeship over the shipping companies. I want to make that clear, in case anyone misunderstood the analogy I made a few moments ago and which some hon. members on my far left applauded. I do not stand for the nationalization of private enterprise, nor do I stand for the nationalization of trade unions, and I am surprised that members of the New Democratic party should have voted for this measure; because that is precisely what they are supporting—the nationalization of a trade union. If their belief in nationalization extends as far as the nationalization of trade unions, I think they have some soul searching to do.

This legislation has yet another objectionable feature. When the government made known its intention to establish a trusteeship over these maritime unions I had a decision to make and I had great difficulty in reaching the decision which I expressed by my vote today. But when the government spoke of establishing a trusteeship at that time, they talked of doing so on a temporary basis. Now we see that the trusteeship has a five year term to it. Granted, there are provisions in the bill which allow for the ending of the trusteeship, and the handing back of the property taken over, at the end of a period shorter than five years. But to be consistent in its thinking, in accordance with its stated intention to impose the trusteeship on a temporary basis only, I think provision should have been made for supervision on the basis of six months or one year, renewable if necessary. It does not seem to me that it is going to take five years to accomplish the objectives the government has in mind.

There are other objectionable features in this bill. For example, there is the provision which allows the trustees appointed by the government to delegate all their powers to one of their number. Who is to say that if they exercise this power they may not choose another Banks? It seems to me this provision is both dangerous and unwise.

Almost two pages of this bill as it appears before us deal with property and civil rights. It seems to me that to allow a trusteeship to take over the assets and property which belong to the members of a trade union is completely unacceptable. It is an action which sets an extremely dangerous precedent and, for these reasons, this is a measure which I cannot in all conscience bring myself to support. I feel the situation should have been handled by dethroning Banks by other means and I have yet to be convinced that this could not be done. One of the aims of the government should have been to explore the possibility to the full of Canadianizing the Canadian portion of this union, before introducing such legislation as we have before us. The management of trade unions must be left to the membership of those unions and it seems to me to be completely wrong in principle to introduce a measure such as this trusteeship proposal which takes away a fundamental right of workers in Canada in

any section of the economy to organize themselves into trade unions. This, in my opinion, is the first step toward eroding the functions of trade unionism, a principle in which I believe as being necessary to our Canadian way of life.

I do hope that perhaps some explanation or some comment will be forthcoming from the minister on the solution which I have suggested in connection with the amendment to the Citizenship Act to enable us to deport Mr. Banks, rather than ask for this extraordinary step to be taken.

Mr. Greene: Mr. Chairman, I suggest that the problem necessitating this legislation is a generic problem of our Canadian-United States relations. It is one of the results of this nation having been conceived as an entity which would stretch from east to west, while the lines of nature and basic economics envisage a flow from north to south. Its roots are in the same vein which periodically give birth to the outcry about United States capital control of our industry and of our heritage. When the problem relates to economic entities such as trade unions, which in one land are regarded in the perspective of persons geared to the republican form of government while in the other land the same economic entity, the trade union, is geared by those who are brought up in the background of parliamentary government, then the problem of that fundamental contradiction in our Canadian conception becomes more acute.

When Mr. Wirtz and Mr. Meany rail at us, they do so as the products of the republican system of checks and balances, pressure against pressure, which regards overt governmental interference as virtually sacrilegious, while pressures, governmental or otherwise, are the order of the day. When, on the other hand, we recoil from such pressure with righteous and jingoistic indignation, we quite properly do so as the children of a parliamentary democracy, where parliament is supreme and any outside pressure on parliament is an invasion of our most profound and sacred rights. In all areas of such difference, Mr. Chairman, which I suggest will ever recur as economic necessity brings us closer to our neighbours to the south, I think the road to progress will surely be in the non-flashy but reliable car of moderation.

On the one hand, we should develop our ability to think as republicans while they, on the other hand, should develop their ability to think as parliamentarians. I think this is preferable to the lofty and futile high horse. During this twenty sixth parliament, Mr. Chairman, we have heard often and loud the voice of faction, the voice of colloquialism, the voice of provincialism. How still and small and seldom heard has been the voice of Canada. Here we have a great, and I believe, transcendent problem which may well affect all Canada and all Canadians. It is, perhaps, the way of democracy that when the problem is so grave as to affect all of Canada and all Canadians, the debate in this house has been on a higher plane, more loftily and properly conducted in the national interest and in the highest parliamentary tradition, than has been the case with any measure which has been brought before this twenty sixth parliament.

I think I should say also, Mr. Chairman, that the party to which I belong, this house and, yes, the whole nation, is indebted to the minister who has sponsored this bill. In his conduct of this matter he has established for himself an enviable, an unassailable position for efficiency, patience and courtesy in the manner in which he has handled this difficult and trying problem from its inception. It has been recently stated in the press that we in the backbenches of this party have some fault, or had some fault to find with the front-benchers of this party. I can only say that we who sit back here with our posteriors on the edge of the Ottawa river are very proud of the way in which the minister has handled this matter. We have been very pleased to sit behind him. I can only say, Mr. Chairman, it is to be hoped that this house will continue in the manner and spirit which has prevailed in the debate on this measure, so that it may be said of the twenty sixth parliament that it was a bit of a shambles until the debate on the trusteeship bill, but from that time forward matters were handled in the house in the parliamentary manner, and on the highest basis.

Mr. Barnett: According to the clock at which I am looking, Mr. Chairman, we have reached the hour of five o'clock. I have a number of comments that I should like to make upon this measure, in part at least resulting from the remarks which were made a few minutes ago by the hon. member for Yukon. Perhaps the Minister of Labour would like to accept the invitation extended to him by the hon. member and make some reply on certain aspects of the hon. member's remarks. If he does, this may avoid the necessity for some remarks on that aspect. However, it would seem hardly appropriate for me to attempt to make my remarks now, in view of the particular hour at which we have arrived.

I call your attention to the fact it is five o'clock.

Progress reported.

BUSINESS OF THE HOUSE

STATEMENT ON HOURS OF SITTING

Hon. J. W. Pickersgill (Secretary of State): Before private bills are called, I think there was an order of the house made earlier that we would revert to motions.

Mr. Winch: That was my understanding, that we would revert to motions.

Mr. Speaker: Yes, the Secretary of State is quite correct.

Mr. Pickersgill: Before I put my motion, I should like to report on the meeting that was held at two o'clock this afternoon, at which it was agreed that I should propose to the house that instead of putting my motion, if there were unanimous consent, the house might agree to sit again this evening from seven o'clock until eleven, unless in the meantime we should complete the bill that was just being considered in committee. It was agreed we should take also the second reading stage only of the two territorial bills, on the clear understanding that when those bills were given second reading they would be sent to the standing committee on mines, forests and waters where they could be considered fully and witnesses could be called on any contentious points. This was in accordance with an understanding that was arrived at at the time the bill was given first reading.

I want to emphasize the fact that there was no commitment made to pass either of these bills, or indeed to pass any of them. The only thing that was understood was we would not sit after those three items were taken up. There was no commitment made by anyone that we would necessarily do these things. I want to make that very clear, but the time would be available. On that understanding, we could have an order of the house, and I would then ask permission to withdraw my motion.

Mr. Churchill: The general idea was that rather than sit on Saturday, which was the purport of the motion, we would sit tonight for a four-hour period. The Secretary of State has reported the discussion that we had with regard to the passage of the bill now in front of us, or with which we were just dealing. We did not say including third reading, did we?

Mr. Pickersgill: No, that would be entirely up to the house.

Mr. Churchill: Then, discussion turned to the two other bills, the Northwest Territories bill and the Nunassiaq bill. As the Secretary of State pointed out we talked in terms of passing second reading, if this happened before eleven o'clock, and referring the bills to the committee he mentioned. But unfortunately a misunderstanding crept in because we did not have all the facts in front of us. I did not myself refer back to the debate on July 8 that pertained to the two bills. I do not know whether the Secretary of State looked back at it, but hon. members have since drawn my attention to the fact that a somewhat different commitment was made on that occasion by the Secretary of State, and which is to be found on page 1968 of *Hansard* for that date.

Whether or not that is gone ahead with will, I suppose be a matter for some discussion, but if the Secretary of State can clear up that statement of July 8 then perhaps we can go ahead tonight and dispose of the three items of business, but not exactly in the way which he mentions.

However, we are quite glad to sit tonight at seven o'clock and discuss the bill which has recently been under discussion.

Mr. Pickersgill: Mr. Speaker, I think I can clear up that point. There is no question whatever I did give an undertaking that if on reflection it was asked for—I am not going to read all the language—the government would find some motion to refer a question at issue about these matters to a committee, before taking up second reading.

Hon. members know we cannot refer a government measure to a committee before it gets second reading, so we would just have to refer a subject that was brought up by the hon. member for Lapointe (Mr. Gregoire) to a committee, and have a discussion on that before we even called the second reading of the bill. But I have suggested no such request was made to me and I have called the bills on several occasions.

I am not seeking to rest on any technicality at all. The government will carry out the undertaking I gave, if there is any insistence upon it in the house, but I believe exactly the same purpose could be accomplished if we would give second reading to the bills and then send them to the committee, because giving second reading to a bill does not commit anybody to any clause in it. The only principle in these two bills that is common to the both of them is that the Northwest Territories as they now exist are going to be divided into two territories, so that anybody who accepts the bill can vote for it on second reading and anybody who wants to vote against it would not be accepting anything on second reading, except that.

The question raised by the hon. member regarding the boundaries is not a principle of the bill but an ancillary and could be considered just as fully in committee after

second reading as before; and nobody would be committed to anything more.

It would facilitate progress generally if that would be an acceptable solution. If it is not, then the government will do exactly what I said would be done on the earlier occasion. But as I have not got a motion drafted, and have not got one on the order paper, we could not proceed with the matter this evening. But I hope, in the spirit in which I have made this statement, it will be possible to proceed in this way, and I make it very clear that no one by agreeing to this procedure is agreeing to sacrifice any matter of principle of any kind whatever.

Mr. Knowles: Mr. Speaker, first may I confirm that the Secretary of State has reported accurately what went on at our meeting at two o'clock this afternoon. May I add that, so far as members of this party are concerned, we are quite prepared to sit this evening at seven o'clock until whichever comes first, eleven o'clock or the completion of the amount of business we discussed at our meeting.

With regard to the issue that has arisen since, I may say my attention has likewise been drawn to what was said on July 8 by the Secretary of State, and I am glad to note he takes the position that if what he offered is insisted upon, then the government will meet that commitment. But, I would like to make a suggestion to my friends on this side, particularly to the hon. member for Lapointe (Mr. Gregoire), who I feel is about to rise. I would like to say to him, as a member of the opposition, that I am sure none of us on this side of the house would lose any rights or opportunities by agreeing to what we discussed at the meeting at two o'clock today.

There is a rule of the house, which the Secretary of State must have put at the back of his mind when he made that statement on July 8, which says every public bill shall be read twice in the house before committal for amendment. In other words these bills themselves could not be put to the committee.

Mr. Pickersgill: Nor did I say they could.

Mr. Knowles: I would suggest to the hon. member for Lapointe that the matter he has in mind could actually be dealt with better if the actual bill were before the committee on mines, forests and waters. I remind him that the people who are interested in it can serve on the committee. I remind him that witnesses can be called, people representing other interests and people representing provinces, and I am sure we would not be giving anything away if we agreed to this procedure.

[Mr. Pickersgill.]

I think the hon. member for Skeena (Mr. Howard) has an interest in these bills. Nobody is more particular about his rights than the hon. member for Skeena, but he has agreed this procedure would be satisfactory so far as those who are interested in these bills are concerned. The matter which has been discovered since two o'clock today was not in our minds when we met, but I hope it will not alter the decision we made. In any case, we in this party are prepared to sit from seven o'clock until whichever comes first, eleven o'clock or the conclusion of such business as we have agreed upon.

Mr. Gregoire: Mr. Speaker, I think that according to the procedures in this house the resolution stage and second reading of bills are occasions and opportunities for us to state our principles, but in this occasion we have passed a resolution stage very quickly. In fact I think it took only five minutes at the end of the day on July 8, and tonight on second reading it will be the same.

But there is another angle to the matter. Bill No. C-84 is not clear at all. There is no precision as to the frontiers of this territory. Before discussion the principles of the bill we would like to know exactly what the frontiers are, and they are not well described in the bill. I have asked for a map of the territory but there are no details on it. I feel that if we pass second reading rapidly the people of Canada, and especially the people of the province of Quebec, will not be aware of the exact meaning of the bill. If the people of the province of Quebec were aware of what is in the bill they would protest in the same way they have protested with regard to other bills. I feel that protestations of the people of Quebec between the time they are made aware of the bill and when we study the principle of the bill will accomplish what I alone could not accomplish. They will force the government to change the bill.

I should like the Secretary of State to consider that angle. I am quite certain that the people of Canada, and especially of the province of Quebec, as well as the members of this house are not aware of what is being done in the bill which has been presented to us. It would be well that before discussing the principle an opportunity should be provided to ask questions in a special committee. Here I refer to what the Secretary of State said on July 8, 1963, as found on page 1968 of *Hansard*. He said:

> In fact I am quite prepared to commit the government to putting a motion on the order paper for a reference to a suitable standing committee of the house to consider these matters before we proceed with the legislation itself.

There are other places where the Secretary of State committed the government. It

is not that I wish to bring about delay. As I understand the matter the urgent bill is No. C-83. I am ready to allow second reading to be given to Bill No. C-83. However, as far as Bill No. C-84 is concerned I submit there are very important points in the bill from the point of view of the province of Quebec. We passed the resolution rapidly, and if we should give second reading to the bill quickly I should not like it because I would feel I had not discharged my duty as a member of the house to see that the people are given the opportunity to be made aware of all the facts before we discuss the principle of the bill.

Mr. Pickersgill: Mr. Speaker, there is absolutely no question that I did make a very precise commitment and I intend to carry out that commitment if there is any insistence on the part of any hon. member that I do so. The commitment was to refer a specific matter, namely the frontiers, to the consideration of the committee before we proceed with the bill. If my language is studied it is evident that there is no question I was well aware of the rule that we could not send this bill to a committee before second reading and it cannot be sent to a committee at that point under our rules without at the same time killing the bill.

But if the hon. member or any other hon. member wishes to insist that the matters raised in the debate, that is to say, the question of the frontiers of the territories, should be considered separately first by a committee, I will endeavour to consult with whoever raises objection; the hon. member for Lapointe or anyone else, and try to draft some kind of motion to refer the matter to some suitable committee and bring it forward for debate.

But I think we are all aware of the difficulties of the timetable in the house in this part of the session, and I suggest again very respectfully that nothing will be accomplished by that process that would not be accomplished just as well by having the bill debated. I am not even asking the house to complete the debate tonight but merely asking hon. members to have the debate, study these points on second reading and then send the bill to a committee.

Mr. Gregoire: Would the Secretary of State accept the suggestion, rather than setting an 11 o'clock deadline tonight or whatever time second reading is completed, that we discontinue the debate on second reading of Bill No. C-84 and not adopt second reading tonight, so that we will have an opportunity to study the matter and to consult the experts before we finish the debate on second reading?

Mr. Pickersgill: I have never suggested at any time, of course, that I was going to tell the house when they would pass any bill. If the house wants to spend the whole evening on the trusteeship bill, they can do so. I am asking that we should sit until eleven o'clock but if we pass these three items I am not going to ask the house to do any other business. We will quit earlier.

Mr. Gregoire: Possibly I did not express myself well. Suppose we finish everything else by six o'clock and then we have from seven to eleven to talk on Bill No. C-84. I will not talk for four hours this evening on that bill, but second reading might be given because nobody else wanted to talk on it. I want to see everybody have the opportunity to give their opinions, but if they have done so by ten o'clock I do not want to see the house give second reading to the bill tonight.

Mr. Pickersgill: If it will facilitate the business we will not ask for any vote tonight on the second reading of the Nunassiaq bill. If we can agree on that basis, then I will ask to have the house adjourned when we reach the point where hon. members wish to adjourn the debate on that bill.

Mr. Churchill: Mr. Speaker, would it not be a solution to proceed with our general suggestion that we meet at seven o'clock? By the time we have passed Bill No. C-102 some considerable time will have elapsed and in the interval we might be able to reach some conclusion as to what we might do with the Northwest Territories bill and the other one; but let us now agree to sit at seven o'clock and go ahead with Bill No. C-102.

Mr. Speaker: Is it agreed that the house will sit from 7 p.m. to 11 p.m. this day and that the business be as outlined by the Secretary of State?

Some hon. Members: Agreed.

Mr. Speaker: Unanimous agreement.

Mr. Peters: Mr. Speaker, in view of the decision we have just taken may I ask the Secretary of State if he will give consideration to allowing the page boys the evening off, or as many of them as he feels can be released? They have had a long week, this is Friday night and they are young.

Mr. Pickersgill: I would hope that might be possible. I wonder whether I might explain to the house, in case anyone is wondering, why the government has not suggested that we go on with government business between five and six o'clock. I was partly restrained by some strictures delivered on a previous occasion, but also partly restrained by the fact that the Minister of Labour simply had to be out of the house between now and seven o'clock because

of other things that are happening elsewhere. We will go on with private members' business now.

HOUSE OF COMMONS

MEMBERS' TRAVELLING EXPENSES

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, while we are still on motions I wonder whether I might have the consent of the house to move, seconded by the Solicitor General (Mr. MacNaught):

That the recommendation of the commissioners of internal economy set out in the extract from the minutes of the meeting of the said commissioners tabled by Mr. Speaker on October 10, 1963, be now concurred in.

Motion agreed to.

Mr. Pickersgill: Mr. Speaker, perhaps I may now have the permission of the house to withdraw my motion to sit tomorrow.

Mr. Speaker: Does the house give consent to the motion being withdrawn?

Some hon. Members: Agreed.

Order discharged and motion (Mr. Pickersgill) withdrawn.

Mr. Knowles: Mr. Speaker, was attention paid to the suggestion made by the hon. member for Timiskaming (Mr. Peters) that the younger members of the staff be given the night off?

Mr. Pickersgill: I am sure the Chair heard the suggestion, and with your usual benevolence I am sure Your Honour will do your best.

Mr. Speaker: The house will now proceed to the consideration of public bills.

CANADA ELECTIONS ACT

AMENDMENT RESPECTING COUNT OF VOTES AT ADVANCE POLLS

Mr. Rodolphe Leduc (Gatineau) moved the second reading of Bill No. C-26, to amend the Canada Elections Act (advance polls).

[*Translation*]

Mr. Rodolphe Leduc (Gatineau): Mr. Speaker, the purpose of this bill is to amend the Canada Elections Act in order to prevent a repetition in the next election or in subsequent ones of offences or irregularities such as those committed in the last election in my riding, as well as in other constituencies in Canada.

I know that all members of the house are quite familiar with the Canada Elections Act and are aware that it was amended in 1960 in order to increase the number of advance polls in various electoral districts.

[Mr. Pickersgill.]

Those advance polls are open on the ninth day and the seventh day prior to the day of the election so that people who expect to be absent from their country or electoral district on election day may have a chance to vote.

I believe that amendment has given many electors the opportunity of exercising their franchise before the date of the election. However, infractions can be committed in those advance polls. I know that, at the last election, in my riding, a deputy returning officer counted the ballots at the end of the first day of voting at the advance polls. Results in one advance poll were made known. I realized then that if the act was not amended, that could have serious effects in certain constituencies, especially when the electors know how the voting went a week or nine days before election day.

If results at some advance polls are revealed prematurely, that can have a great influence on the vote on election day.

That is why I propose this amendment. Besides, the hon. members know that the deputy returning officer is responsible for the ballot box at the advance poll on voting day and keeps it in his possession until the actual voting day. And it is only in the evening of that day, two hours after the closing of the polls, that the deputy returning officer, in the presence of representatives of the various candidates, must open the ballot box of the advance poll.

The present act is not sufficiently strict with regard to offences committed by the deputy returning officer when he is caught doing something illegal, as happened in my riding.

As a matter of fact, the only punishment that can be meted out to him is that he loses one day's salary or his salary for the two days he worked at the poll as deputy returning officer.

Therefore, there is a serious danger, because at a given time one or several deputy returning officers could conspire with various organizers to count the votes in a number of advance polls so as to publish the results before election day.

Under the Canada Elections Act, anyone guilty of divulging prematurely the results of the voting at a poll is liable to a fine ranging from $1 to $500.

In my opinion, our aim would be achieved by this amendment if a deputy returning officer who counts the ballots before election day were liable to the same penalty as any person who publishes the results of the election ahead of time and were fined from $1 to $500.

I sincerely feel that if we pass this bill, we will prevent breaches of the law at advance polls in future elections.

Mr. Jean L. Rochon (Laval): Mr. Speaker, it is a pleasure for me to support the measure which was presented by our colleague, the hon. member for Gatineau (Mr. Leduc). I do not intend to spend too much time on this, but I should like to explain my views on that subject.

My riding is the third largest in Canada; it is outranked only by Scarborough and Mercier. Over 60,000 of my constituents are residents of the northern part of Montreal and another 58,000 live on Jesus island where eight cities and five towns are located.

During the June 1962 election, the chief electoral officer set up 22 advanced polls and many Canadians took advantage of the right they had under the Canada Elections Act, to vote before the official date of the election.

Now, it just happened that in four advanced polls, the returning officer announced the results in favour of one of my opponents with the consequence that, because of the indiscretion committed by the officials, on voting day, the vote was next to nothing in the district where those polls were situated.

I quite understand that, as my colleague for Gatineau has just explained, under the present legislation, a deputy returning officer who commits an indiscretion loses his job and is not entitled to any pay. However, as my hon. friend said, that is not enough and if such a returning officer has to pay a $500 fine just like any person who publishes prematurely the election results, people would think twice before acting and I am convinced that in the case I am concerned with at present, things would have been different.

In a riding such as mine, Mr. Speaker, with more than 118,000 voters, even if the vote is thus switched around a bit, the effects are not as far reaching as they would be in a smaller constituency, as the hon. member for Gatineau pointed out a moment ago, where that could be enough to alter the results completely and bring about a vote which would be the reverse of the opinion the electors would otherwise have expressed.

I am sure all of us in this house, Mr. Speaker, no matter which party we belong to, want truly democratic and honest elections, and I know this bill would be suited to that purpose and would prevent many mistakes being made.

Sometimes, Mr. Speaker, caught in the election turmoil, we ourselves, members of our organization, the returning officer and his assistants, unfortunately cannot prevent some thoughtless campaign officials from doing such things. They do things such as the one I referred to a moment ago, without often suspecting the almost tragic consequences involved.

It rests with us, members of this house, to prevent such situations and, without prejudice, under our oath of office, to legislate so as to assure not only the integrity of the administration, but also that of those who will be called upon later on, as ourselves, to govern the country.

It remains with the hon. members, Mr. Speaker, to protect the public against itself, to protect certain organizers, whatever party they belong to, against the extravagant enthusiasm they show during an election campaign in favour of a candidate of their choice.

The bill of our colleague for Gatineau has been introduced for no other purpose than to assure the honesty of the vote and to give to the people members of their choice. In other words, it is a matter of electing a truly democratic government, fully representative of a common ideal.

Mr. Speaker, these are troubled times in which we live. Let us be on our guard, for tomorrow may be too late. Those who live under a democratic government tend to forget that elsewhere things may be different. Although dictators are clever at painting things a lovely rosy hue, their subjects become tools in the hands of a small group of men, of potentates who, in the name of the nation, use them as mere puppets to satisfy the mad ambitions of vainglorious masters thirsting for power.

That fact is illustrated by the story of the last 20 years. Nazi Germany and fascist Italy dreamt of holding sway over a trembling world and, in fact, succeeded in enslaving whole nations, but they have since paid a bitter price, and drunk to the dregs the cup of humiliation. Hitler committed suicide in his lair in the Bavarian Alps and Mussolini was delivered to public obloquy and hanged, as we know, by his feet.

It will be objected that the situation is not quite so bad. I agree. But in the last five years, even in the last two or three years, the difficulties which have occurred on all sides are different from those of the past.

People luxuriate in liberty and quite properly demand that their rights be respected, placing on our shoulders heavier responsibilities which are quite different from those of the past due to the needs of our times.

This bill, Mr. Speaker, as modest as it is, if we stop and consider it carefully, will remedy many mistakes and particularly many unfortunate abuses of the past.

That is why, on behalf of the voters in my riding, I make it my duty to support this measure introduced by our colleague from Gatineau.

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I will take a few minutes only to express my views about the measure under consideration.

First of all, I want to congratulate the hon. member for Montreal-Laval (Mr. Rochon) for the sincerity with which he supported the bill introduced by the hon. member for Gatineau (Mr. Leduc), but I must tell him that I do not share his view about advance polls set up when a general election is held.

Such advance polls are set up to give the greatest number of electors the opportunity to cast their votes before the date set for the election, when they have to be away on voting day.

If my memory is correct, I think those advance polls have been used only in the last two general elections. Previously, those advance polls were open only one day.

During the 1962 and 1963 elections, the polls were open, as the hon. member for Gatineau pointed out, the ninth day and the seventh day before election day.

I feel that this measure was presented to the house following the mistakes that were made across Canada during the last general election, but I think that if you compare the few mistakes made with the number of polls set up for the 1963 election, you realize that the number of deputy returning officers who made such mistakes was negligible and just because a few deputy returning officers made mistakes, I do not feel that we should necessarily amend the act and go back to the years when advance polls were opened just for one day.

Mr. Speaker, I have here the result of the voting in the four last federal elections for my riding. If we consider the number of voters who cast their vote at advance polls, we readily realize that those polls have certainly enabled a great many Canadians to exercise their franchise, compared to previous years.

In 1957, for instance, 11 voters reported to the advance poll in St. Hyacinthe-Bagot, whereas only ten did in 1958. But if we study the results of the 1962 general election, we find that the number has gone up to the extent that 101 voters exercised their franchise, and this, because the advance poll remained open for two days instead of one.

Mr. Speaker, the previous speakers tried to influence our judgment, but I do not think there is much danger of being misled by their contentions.

[Mr. Rochon.]

For instance, the hon. member for Gatineau (Mr. Leduc) claimed that the results could be known prematurely under the present procedure. Besides, he mentioned that the scrutiny of the votes cannot be made, by virtue of the act, before two hours after the closing of the polls.

Well, if the object of this bill is to punish those who are bent on transgressing the law, I am afraid that the hon. member's efforts will be in vain.

In my opinion, the important thing is to try and teach people who hold offices in polls to act only according to the law.

In fact, I think that most of the mistakes made are due to ignorance rather than ill will.

In the last election, the result of the voting in an advance poll in my riding was published before the national voting day, and I am convinced that that mistake was not made through ill will.

And how can the rest of voters in the riding be influenced by that, since only five or six voters go to an advance poll?

And even if all votes had been for one candidate or the other, that certainly does not represent the general opinion and would not influence at all the rest of the voters in that constituency to vote in favour of such or such candidate in particular.

Mr. Speaker, I suggest that instead of passing the measure now before us, we should, in a general election, give the necessary instructions to those who are entrusted with the duties of deputy returning officers. Briefly, instead of changing the present provisions which enable more voters to use their right to vote, we should rather make allowance for the advantages granted to the voters under the present legislation.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I have but brief comments to make about Bill C-26. I am happy to see that the hon. member for Gatineau (Mr. Leduc) has brought in this bill to amend in parts the Canada Elections Act particularly, as far as the advance polls are concerned.

The hon. member for Laval (Mr. Rochon) said a moment ago that such an amendment to the election act might forestall the advent of a totalitarian state in Canada. Personally, I feel that my hon. friend got carried away, and that his words went beyond his thoughts. We must admit that nazism in Germany and the totalitarian regime in Italy were bred by factors much more vital than those we are striving to rectify through this piece of legislation.

Mr. Speaker, I endorse the remarks of the hon. member who sponsored the bill and I wish to quote a case which occurred in my

own riding during the 1962 general election.

An advanced poll had been established in the town of Roxton Falls and about 15 persons having the same political views had been allowed to vote. After the closing of the poll, it was learned that the result of the vote had been made public not only in many neighbouring parishes but also in the main centres, especially the town of Granby.

That indiscretion surely influenced the voters. In fact, I received many telephone calls on that matter. I was also informed about it by political organizations. Also, the returning officer in my riding had to make a statement over the radio to the effect that the results were not official.

Therefore, I think it is wise to bring forward such a piece of legislation.

I do not deny that abuses might still take place but if the act is not amended, similar errors might be repeated.

Everyone knows that those who have a thorough knowledge of the Elections Act can take advantage of certain circumstances. It was also said that the errors disclosed were due to ignorance. It might be true in most cases—at least, I trust it is—but I am convinced that as far as I am concerned, what happened in 1962 was certainly not due to ignorance, but was well premeditated because the whole thing had been planned. Fortunately, the damage done in that community could be repaired because the necessary action was taken.

Mr. Speaker, I will not labour the point in order not to hold up the passing of Bill C-26 so that the nation can have a better elections act in the future.

[*Text*]

Mr. Reid Scott (Danforth): I just want to make one or two comments on the proposal before the house. It is not that I object to the principle of the bill; I think there is some merit in the proposal itself. But I should like to say a word in defence of the deputy returning officers. No doubt, conditions vary from one riding to another. I do not pretend to know much about electoral procedure in the riding of the hon. gentleman who has just spoken, but we have found that most of the deputy returning officers are sincere people. They are not particularly well schooled in their duties or activities and I think most of the mistakes they make arise, not through malice on their part, but largely through indifference, or ignorance of their duties. In these circumstances I doubt that it is very wise to impose penalties of the type envisaged in this bill.

I presume, of course, that the measure would be referred to the committee on privileges and elections so that it could be studied in greater detail and its terms debated, but I think it would be unwise to pass a blanket provision imposing penalties on these people. Perhaps the penalty should only be imposed if some serious malice can be shown or some intent to influence the decision of the electorate. There should be some safeguard in the bill so that innocent people will not bear this onerous penalty.

There are, of course, many matters in connection with elections which should be dealt with in the privileges and elections committee. Certainly, we should do something about prohibiting the publication of public opinion polls during the course of an election. These have, sometimes, an unusual appeal to the population, and perhaps consideration of this matter might be included. At the same time, something should be done about preventing United States stations from broadcasting eastern results in western Canada before the polls close. This, again, would seem to be an infringement of our rights. These are matters which, perhaps, could be studied by the committee.

I hope the hon. gentleman's bill will be referred to the committee because, as I have indicated, we approve of the general principle. We feel that the abuse the hon. member is trying to correct is one which should be corrected. However, we do not want to see a lot of innocent deputy returning officers penalized for mistakes which they are only making out of a lack of knowledge or, more likely, a lack of instruction from the returning officer. I am not criticizing returning officers. They have too much to do in a short time, and it is not always possible to correctly school the deputy returning officers. All this might be corrected if we could institute a permanent voters list, and permanent deputy returning officers who would be in touch with their polls. Perhaps these are matters that could be gone into by the committee. I thought that someone from our party should indicate that there was merit in the hon. member's suggestion, and the measure should go to committee where it could receive the fair treatment it obviously merits.

Mr. Robert Temple (Hastings South): When I look at the clock, Mr. Speaker, I am reminded that I can only speak briefly in support of this measure. I would point out to the house that, as the law now stands, there is an absolute prohibition against the publication of the results in any newspaper. There is nothing said about whether the newspaper does this with malice or otherwise.

As long as the newspaper publishes the information, then it is liable to a fine or imprisonment. I do not know how you imprison a newspaper, but I suppose you can imprison the executives.

In so far as the deputy returning officers are concerned, they can only be fined or imprisoned under section 97 if it can be shown that they acted in a corrupt manner. This is a very difficult thing, of course, to prove. It is my feeling that there should be teeth put into this elections act so that the deputy returning officer will be liable to an automatic fine and/or imprisonment. Now, this may seem very harsh, Mr. Speaker, but the purpose is to prevent an unscrupulous group getting together in several ridings spread throughout the country. Then, the day preceding the actual election day, they could get as many of their supporters as possible to the advance polls and make arrangements to ensure that the results of four or five of these advance polls are leaked to the public.

I am not suggesting this would be done, but it could be done. If it were done, then we create this band-wagon approach to an election. We know that a good many of our neighbours vote a certain way because their neighbours are voting a certain way. They do not necessarily vote on the merits of the situation, but they jump on the band-wagon. I would urge that teeth be put into the law. I agree with the hon. member for Danforth (Mr. Scott) that when these results are made known in advance by the deputy returning officer, it is generally out of curiosity and there is no malice entailed. However, there is a danger of this happening. I see the hour is late, and I understand the measure is going to be referred to the committee on privileges and elections, so I will conclude my remarks.

Hon. J. Watson MacNaught (Solicitor General): I move that the subject matter of this bill be referred to the standing committee on privileges and elections for further consideration.

Motion agreed to.

MARITIME TRANSPORTATION UNIONS

PROVISION FOR MANAGEMENT AND CONTROL BY TRUSTEES

The house resumed consideration in committee of Bill No. C-102, to provide for the placing of maritime transportation unions of Canada under the management and control of trustees—Mr. MacEachen—Mr. Lamoureux in the chair.

The Chairman: It being six o'clock, I do now leave the chair.

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Chairman: Shall clause 1 carry?

Mr. Barnett: Mr. Chairman, when the proceedings on this bill were suspended at five o'clock I had just risen to my feet and indicated that I wanted to make one or two comments in reference to the remarks made by the hon. member for Yukon, particularly due to the fact that it appeared the Minister of Labour was not showing any inclination to do so at that point.

I can readily understand the reason some of the leadership of the mine-mill union, to which the hon. member for Yukon belongs, shows a tendency to look back in this situation to the days when the C.S.U. was organized on the great lakes. I feel it is quite possible some rather serious errors were made at that time in dealing with the situation that then prevailed, but now we should face up to the realities of the present situation. What may or may not have been done, correctly or incorrectly, in connection with that situation is almost a matter of ancient history and should not be of primary concern now to either members of trade unions in Canada or members of this committee.

The thing I most vividly remember about that situation is my feeling at the time that much of what was done then was done because of certain pressures which were exerted upon the government of Canada and the Canadian trade union movement by those who live in the country to the south of us; and in view of the pride which the hon. member for Yukon indicated in the fact that the union of which he is a member has taken a strong Canadian union position, I find it rather difficult to comprehend his apparent lack of readiness to object to the kind of pressures that are being exerted in the current situation in Canada.

When he spoke earlier on second reading my colleague, the hon. member for Port Arthur, suggested that this really was not the time for us to be indulging in recriminations or reminiscences concerning the past history of the situation which led up to the mess in which we are at present, and I feel that should be the basic point from which we should approach this legislation. I also feel the hon. member for Yukon was putting the gloomiest possible construction upon the things that might happen as a result of the passage of this bill.

I think he would agree that no hon. member who has spoken so far has suggested this is a desirable step, but rather it would appear that what has happened in the past makes it the only possible step we can take. So far

as I am concerned I am at once willing to concede I fully expect a great many difficulties will arise consequent upon the passage of the bill. We would be blind to the realities of the situation if we did not recognize that fact but I also feel we have a responsibility, particularly those of us who are reluctantly prepared to agree to the passage of the bill, to watch very carefully over the manner in which it is put into operation. We have a responsibility from time to time, if we consider it justified, to be critical of the manner in which the trusteeship is operated, but we also have a responsibility to do our best to see that it functions successfully.

As I see it, of course, the first requirement has to do with the calibre and experience of the trustees who are chosen. I am sure the Minister of Labour is not unaware of the importance of that matter, and I hope he is going to be able to find people to assume this responsibility who, because of their personality, their character and their knowledge will be able from the start to give proper prestige to this body and will be able to bring the right kind of wisdom to bear.

My prime purpose in trying to catch your eye originally, Mr. Chairman, prior to when the hon. member for the Yukon spoke, was to come back to the matter raised by the hon. member for Winnipeg North, namely, what the intentions of the government are, if any, with respect to dealing with the shipping companies referred to in the Norris commission report. I feel that the Minister of Labour, in view of the fact he is piloting this bill, should give us some indication of his thinking in this matter and what the intentions, if any, of the government are in this connection.

I can understand that the Minister of Labour may be somewhat reluctant to do this, and in a sense I would agree it is not primarily his responsibility because, in my view, the particular bill before us has to do with the union aspect of the situation and is of direct interest and concern to him as Minister of Labour. I would assume that any steps which might be taken to correct some of the wrongdoings that have gone on, on the company side of the picture, would not necessarily fall directly under the responsibility of the Minister of Labour, or that any proposals which might be brought before parliament by the government would not necessarily be brought forward in his name.

Actually, I believe the person who should rise in the house during the course of this discussion and make a statement as to the government's intentions is the head of the government, the Prime Minister, because in my opinion this is a matter of the broad policy of the present administration which I think could properly be dealt with by the Prime Minister, either in this debate or outside it. In any event, before clause 1 of the bill carries I hope the Minister of Labour, as the spokesman of the government at this time, will indicate to us in no uncertain terms just what the intentions of the government are in connection with any action that may be proposed, to ensure that the companies involved are going to become respectable, law-abiding Canadian companies.

Mr. Peters: Mr. Chairman, I opposed a trusteeship, and because a few others who have opposed it have stated their reasons may I say that I certainly do not want to be associated with the reasons advanced by former speakers in this debate. I, too, remember the day of Pat Sullivan and the old Canadian seamen's union. It was felt that the action taken then was in the best interests of the trade union movement, and it is unfortunate that history has not proven this to be correct.

However, the arguments that have been used as a basis for opposing the bill do not necessarily represent my objections. I think I can state my objections fairly simply. First, I have an inherent dislike for trusteeship. I think this is shared by almost every trade unionist in Canada and throughout the world. I am sure this view is shared by most members of parliament and in particular by the Minister of Labour himself. I also think that the dislike is even greater when trusteeship is applied in a legislative way, because it takes away from the workers any rights in the foreseeable future with regard to the operation of their own organization.

I am only guessing and can only guess, but I presume that a man who has been sitting in the gallery today may be one of the trustees. I hope this is true, because I can remember when I was more or less under trusteeship as a member of a union that was under discussion in another sense this afternoon. I can remember this gentleman coming to the mining area. He was highly acceptable to that area and he gave encouragement to the people and helped to establish a democratically based union there. I hope that history may repeat itself and that his success may be as great in this instance. It might be said that there was almost a trusteeship that time, under the congress of that day; but at no time was it ever suggested that this was something to be desired or welcomed, but rather that it was something to be used only because there did not seem to be any other relief. The same problem is repeating itself and making it necessary for

intervention from without, in view of the fact that the constitution and machinery available to the workers is not such as to allow them to do something for themselves.

My second reason is a very simple one. I hope very strongly that I am wrong in my views, because if I am not the situation will be chaotic. It is my expectation that the trusteeship will not do what it is intended to do. It would seem that all Canadians have decided that the remedy to clean up the S.I.U. must be the removal of Mr. Banks. This can be accomplished, of course, because of the illegal acts that have been committed in the past, but yet nobody seems to be sure that there will be any legal arrangement made to dispose of Mr. Banks.

I believe the minister has said on a number of occasions that under the circumstances this gentleman cannot be deported. I find this is quite true. A landed immigrant can never be deported unless the country from which he came or to which we wish to deport him is willing to accept him, and under the circumstances this may be very difficult to accomplish. This may be one bad apple we will have a heck of a time giving away. We do not want him and probably nobody else does. I hope I am wrong, but I am wondering whether there is any chance for the trusteeship to accomplish what we hope it will.

As for my third reason, I would point out that this situation has already had one very good result. From this less than desirable situation there has developed a Canadianism that has been sadly lacking in this House of Commons for a long time. We have become more used to separatism and division on our national scene than we have to unity of national purpose. It has even brought many of the members of the House of Commons together in this matter. If this is an accomplishment that has been achieved, everything will not be wasted, if we are able to develop a sense of responsible nationalism in Canada, pointing out to some other people some of the faults that have no doubt existed in the past and honestly paying some tribute to some of the advantages that have accrued to the Canadian people because of the exercise of responsibilities and duties of people outside our own country.

I only wanted to make it very clear that my reasons for opposing this were not necessarily the same as others who have opposed it. I do so, knowing full well that we have no alternative to offer, and I know that an alternative or some solution to the problem must be arrived at. I hope that some of the changes that may make it more acceptable will be introduced by the government during the passage of this legislation. If that is done, this measure will, in my opinion, have more chance of success than it appears to have with its present terms.

The Chairman: Shall clause 1 carry?

Mr. Scott: I wonder, Mr. Chairman, if we could have a word of direction and perhaps some indication from the minister of how he intends to handle the passage of the clauses. With regard to various clauses we have submissions to make and proposals to suggest to him. It might be better if the minister would deal with our objections to each clause as we go through the bill, rather than leaving them to the end. Before clause 1 carries, I wonder if we could have some statement as to what the intentions of the government are with respect to the matters raised by the hon. member from Comox-Alberni.

I want to assure the minister that we are not raising this question in a facetious way. We are having great problems explaining this legislation to many of our supporters and explaining to them our support of it. We want, if we can get it, some indication as to whether something is going to be done about the other guilty parties. I realize it is not necessarily within the jurisdiction of the Minister of Labour, but it would be most helpful if, before allowing clause 1 to carry, we could have a statement from the minister or somebody on the government side indicating that the other culprits to the conspiracy, namely the shipping companies, are not going to be permitted to get off scot free in this matter.

We are not suggesting necessarily that they should be placed under trusteeship also. I am not sure that this is practical. But we would like some indication as to what proposals the government may have in mind or what action it intends to take to see that the other parties to this whole conspiracy are also given some attention. I do not want to belabour all the evidence that has gone on the record. Other hon. members on this side of the chamber have read into the record the incontrovertible evidence of the collusion that took place between the S.I.U. and the various shipping companies, collusion in violation of the laws of Canada. Without this collusion much of the trouble could not have happened. We would like at this stage, Mr. Chairman, before clause 1 is carried, to have some indication from the government as to what measures they may have in mind to deal with the other guilty parties to this disgraceful conspiracy against the laws of Canada.

Mr. Martin (Timmins): Mr. Chairman, my comments will be very brief. This whole subject has been given a very excellent debate in this house, and I would just like to stress a few points. This whole situation with which we are faced today seems to be one long

retreat from a series of evils. If we go back far enough we find it was the evil of the shipping companies that first led to the communist dominated union on the great lakes. Then to get rid of the evil of this communist domination we brought in the evil of Hal Banks; and when that evil becomes more than we could stomach we bring in the evil of this trusteeship. Let us not forget; it is an evil. I think we all do, or should, recognize this. Surely history has taught us that evils do not correct themselves; somebody must make some move some place along the line to correct them. I think this is something that should remain in the minds of hon. members of this house. We are now faced with two evils, the evil of this legislation that we have to pass to cure a worse evil, and we still have with us—as has been pointed out by many hon. members—the original evil that started it all off, as represented by the shipping companies which have been hand in glove with Hal Banks over the years. Therefore this legislation has the support of the house to cure one particular evil; but let us not forget that there is another one to be corrected. Let us not leave this evil too long on the books.

Mr. Cowan: Mr. Chairman, I wish to go on the record this evening in connection with my vote this afternoon, to explain to the house my action in voting for a measure which I have considered all my life to be against my convictions. I regret exceedingly that the government of today has been forced into a position, by the inaction of the previous government, that has made such action necessary. The hon. member for Kootenay West, when making some remarks a day or two ago, commented that this proposed piece of legislation would be a black mark across the beautiful canvas that Canada has been painting throughout the years. In my estimation this piece of legislation which has been forced on us by the inaction of the previous regime is a backward step, and one that is to be regretted.

Mr. MacInnis: I rise on a question of privilege, Mr. Chairman. The hon. member has just cast a reflection on the previous administration, and he said this has been forced upon him. There has been nothing forced upon any member of the house. We had a free vote. He had his choice this afternoon, and he took it. That is not the responsibility of any previous administration.

The Chairman: Order. That is not a question of privilege.

Mr. MacInnis: It is a question of privilege as far as I am concerned.

Mr. Cowan: Mr. Chairman, in 1834 we had the tremendous case of the Tolpuddle martyrs who were prosecuted by the government of the day because they formed an association of free men in the form of a trade union. I consider it a sorry state of affairs that in 1963, in the Dominion of Canada, we are passing legislation which brings under government trusteeship associations of free men. I wonder how many members of the Canadian House of Commons realize that of the six martyrs of Tolpuddle of 1834, all of whom were transported to Australia by an unjust decree and an unfair government, five, after they left Australia, emigrated to Canada and lie buried in the province of Ontario. Those five Tolpuddle martyrs who suffered grievous injury and wrong because of their beliefs that free men should be allowed to freely associate in a trade union lie in western Ontario, in cemeteries in the vicinity of London, Byron and St. Marys. It is interesting to note that one martyr of Tolpuddle, who lived the longest, to the age of 92, lies buried today in St. Marys, Ontario, in the same cemetery as a former prime minister of the Dominion of Canada.

In justifying my action in supporting this measure brought in by the government that I support, I would point out that when Liberal candidates ran in 1962 and again in 1963, we were assured by our leader that we had tremendous messes to clean up resulting from the inefficiency and indolence of the government that was then on its way out. When I stood for parliament in 1962, I did so knowing that this country was faced with a crisis resulting from the inability of the then government to handle the affairs of the nation. I tell you that the messes facing the present government of the Right Hon. Lester Pearson make the 12 labours of Hercules a mere myth. One of the tasks of Hercules was to clean the Augean stables. The Augeans thought he would refuse because he could not stand the stench of the offal and refuse around the cattle barns of the estates. We Liberal candidates in 1962 knew the refuse and offal that was lying around the cattle barns of the government. We volunteered to clean up the mess.

The Chairman: Order; I am sure the hon. member would agree with me that he is not coming very quickly to consideration of clause 1 of the bill now before the committee. I would ask him, as soon as possible, to relate the remarks he has been making to the subject matter of the bill and particularly to clause 1 thereof.

Mr. Cowan: Mr. Chairman, I was going to draw an analogy between the fact that Hercules diverted two rivers into the Augean stables to clean up the mess and this action

of the government's, on the St. Lawrence seaway, which will clear up the situation which has developed there.

I should like to draw to the attention of the committee, because I have not heard any other speaker refer to it, the fact that on page 298 of the Norris report you will find this sentence which goes to the heart of the entire report. Mr. Justice Norris writes:

> If any one thing was demonstrated on this inquiry, it was how lawlessness (including in the term disregard of the rule of law, of constituted authority, and of contractual obligations) begets lawlessness.

Mr. Justice Norris says that if any one thing was demonstrated in this inquiry it was how lawlessness begets lawlessness. I regret that in the clouds of hysteria surrounding this matter many have intimated that the lawlessness was on the part of one union led by one man. If hon. members would read the Norris report, and I regret exceedingly the large number of members who have not read the Norris report, they would find he attacks the shipping companies as well as the trade union on this matter of lawlessness. At page 298 of the report, Mr. Justice Norris adds this:

> It was at any time within the power of the C.S.L. with all its strength and influence to accomplish much in stabilizing the great lakes situation by taking a positive stand on the side of law and order, but for the sake of a present—at best uneasy—peace and for competitive advantage, it not only did nothing, but gave support to Banks, the lawbreaker. It showed a cynical disregard for its contractual obligations with the N.A.M.E.

Now, the Norris report points out that Canada Steamship Lines is the biggest of the Canadian companies, and its actions were generally followed by the other companies. The C.S.L. was the bellwether of the flock.

The hon. member for Winnipeg North read into the record the other day a list of the directors of the Canada Steamship Lines. The Secretary of State, in reply to a question, has read into the record the names of the directors of Misener steamships. Anyone who is acquainted with business life in Canada knows that these men are the leaders of our business community today. I came into the house at the age of 60, after 40 years in the business world. I would not have anyone think that I consider the members of the Canadian cabinet to be the ablest men of their age and generation. The members of Canadian cabinets have a job to do and most members do it well.

However, there are businessmen in this country who, immediately an election has taken place, begin to size up those people selected for the cabinet. I can assure you that following the elections of 1957 and 1958 the businessmen of this country sized up the members of the cabinet, took their measure and knew exactly how far they could go with whatever endeavour they wished to carry out.

Now, the record concerning the disregard of one of the shipping companies for the law of the land has been brought to our attention, and reference has been made to it in the Norris report on pages 54 and 55. I do not need to read the record again. However, I would point out that not only had the steamship directors a cynical disregard for the Minister of Labour, but even the Canadian brotherhood of railway and transport workers expressed their opinion of the ability of the previous government. On page 14 of the Norris report we find some extracts of the evidence given by Mr. Frederick Nicoll, director of organizing and servicing for the Canadian brotherhood of railway, transport and general workers. Under questioning, Mr. Nicoll was asked what he hoped to accomplish by the boycott that was called on vessels passing through the St. Lawrence seaway and the Welland canal. His reply was as follows:

> We hope to accomplish two things, Mr. Wright. Basically—primarily, rather; one was to force the situation where the Canadian manned ships that were presently being boycotted in the United States would be released from the boycott and we were hopeful that we were going to jockey the Canadian government into taking these steps which had been suggested by ourselves for I don't know how many years, by the Canadian Labour Congress in 1962, that there should be an industrial inquiry commission established to go into the whole sad sorry mess—
>
> Q. Yes, and in retrospect did you accomplish—not did you accomplish, but were these two objectives accomplished?
>
> A. As far as we are concerned, yes.

Mr. Nicoll is saying that the Canadian brotherhood of railway and transport workers jockeyed the Canadian government into the position that they desired. Now, a jockey rides an animal and is in control of that animal. He can make him go wherever the jockey wishes him to go. I ask, does this sound like a strong, independent government when an official of a brotherhood stands up and says they were hopeful they would jockey the Canadian government? In answer to a direct question he said they accomplished their purpose.

Now, the steamship lines wrote a letter to Mr. Bernard Wilson, the director of industrial relations, a very enlightening and revealing letter. In the course of the letter to Mr. Wilson, Misener Steamship Lines under date of April 10, 1959, stated that they realized their course of action was against the labour relations act. This letter came to the Department of Labour of the federal

government. Along with that letter, Mr. Wilson received a copy of a letter of indemnification granted by the seamen's international union to the Misener Steamship Lines. Mr. Justice Norris made the comment that similar letters were sent to other shipping companies. I say to you that the federal government was notified by letter under date of April 10, 1959, that these steamship companies were breaking the law, and the government did absolutely nothing about it. The letter stated frankly that this course was against the labour relations act.

We on this side of the house have been trying to explain the inaction of the government during the five and a half years it was in power. Many of us thought that friendships with directors of some of the big steamship companies were responsible for the inaction and indolence which characterized the former government, particularly so far as the Department of Labour was concerned. However, I have a good friend of 40 years standing who is a director of a steamship company, and I could not believe that he would stoop to such a practice. And lo and behold, this is what the former minister of labour told us, not only last night between a quarter to ten and ten, but also the day before, as reported on page 3432 of *Hansard*:

> As I pointed out yesterday, any initiative on the part of the government to launch an inquiry into the affairs of a union which was affiliated with the Canadian Labour Congress would have aroused the most terrible attack upon the government by all members of the Canadian Labour Congress.

I want to repeat that to hon. members for emphasis.

Mr. MacInnis: Do not bother; you do not understand it.

Mr. Cowan: The former minister of labour said:

> —any initiative on the part of the government to launch an inquiry into the affairs of a union which was affiliated with the Canadian Labour Congress would have aroused the most terrible attack upon the government by all members of the Canadian Labour Congress.

But the former minister of labour did not point out that in June, 1959, the Canadian Labour Congress had kicked the S.I.U. out of the Canadian Labour Congress. So that means that from June, 1959, until the government resigned in April of this year, a period of three years and ten months, the S.I.U. was not affiliated with the Canadian Labour Congress; so the reason advanced by the former minister falls to the ground.

If you look at the supplements to the Norris report and at schedule 31 you will find listed there by Mr. Justice Norris examples of intimidation and violence. Nineteen cases of beatings are listed. No action was taken on those 19 cases which Mr. Justice Norris listed as occurring between August 18, 1957, when the former government was in power, and August 20, 1962. I should like to point out that of the 19 cases of beatings only the first two cases occurred when the S.I.U. was an affiliate of the C.L.C. The remaining 17 cases took place after the C.L.C. had rejected the S.I.U. as a member of their organization.

The hon. member for Ontario stated last night that when the record of lawlessness and malpractice on the great lakes had grown sufficiently serious action should then have been taken by this government. I would point out that the record of beatings and harassment and property damage occurred during the tenure of office of the former minister of labour. He had been properly sized up by the businessmen of this country and they knew how far they could push him. They knew how far they could go and they signed illegal contracts. They then notified him that they had signed them, knowing that in his ineptitude no action would be taken against them. As Mr. Justice Norris said in his report, lawlessness begets lawlessness.

This situation has been forced on this government by the inaction of the previous government, and I thank heaven we now have a government in power which is willing to take action. On page 296 of his report Mr. Justice Norris points out, in his conclusions, referring to Banks, that he and his union operated a vacation pay plan unlawfully and contrary to the directions of the minister of labour. Could anything be more plainly stated than that? Now we have a Minister of Labour who is willing to take action and who has notified the ship owners that they are not to send that vacation pay money to the S.I.U. but that it is to be returned directly to the employees. And in addition, the minister has taken action to recover $300,000 from the S.I.U. which money Mr. Justice Norris said was being administered unlawfully. What did the former minister of labour do to clean up that situation?

While I have pointed out the ineptitude of the former government and how it has brought us to the situation where we have to take action by legislating the affairs of unions, a step which is against the convictions and lifetime practices of members of the Liberal party, I should also stress that the inaction of the previous government has put a strain on our relations with the United States government. That is to be regretted. Our relations with the world must be based on friendly relations with the United States. Our relations with the United States are now strained, and this situation is going to take very careful

handling. This has been forced on the government by the inaction of the previous government. Last night the former minister pointed out that when he was minister of labour the relations between Canada and the United States were such that we would be called bosom pals. Now he says there is a conflict between us. I say there is no fighting in a cemetery. Where there is no action there is no disagreement. But the moment this government, under our present Prime Minister, steps forward to straighten out the situation we receive protests from the United States, and we are told by members of the opposition that we are causing trouble.

In the course of discussion on this bill we have been told time and time again that Mr. Banks is the darling of the Liberal party; that Mr. Banks was brought into Canada by the Liberal party; that Mr. Banks has been nurtured in this country by the Liberal party, and that he expects to receive the same friendship from this government that he received from the St. Laurent government. I ask, Mr. Chairman, how could we extend any more friendship to this man than was extended by the former government, when you read their record of inaction—lack of police court action against the S.I.U. in connection with their activities throughout the country, all of which is documented by Mr. Justice Norris? The statement has been made several times that Mr. Banks has been granted the status of a landed immigrant; that the previous government, again because of their ineptitude examined the law of the land and found that Mr. Banks could not be deported from this country. When this was challenged and it was pointed out that he could be deported if he violated certain laws of the land, we got that hollow laugh that bespeaks the vacant mind and were told no, he could not be deported. According to a press release which appeared in the Toronto daily *Star* on Monday, September 23, the former prime minister revealed that his government had had Mr. Banks fully investigated, but concluded that it could not deport him because of an order in council. Yesterday the Secretary of State challenged that statement, pointing out that Mr. Banks can be deported if he at any time violates the law of the land, and that he would be deported if he were to do anything that justified such action.

It is a little difficult to follow the comments of some of the speakers so far. I knew a former member for Broadview very well, and I will long remember a comment made by the late Joe Clark, who was father to Gregory and editor of the Toronto daily *Star* for about 40 years.

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

[Mr. Cowan.]

Mr. Cowan: After I am through speaking. Mr. Clark referred to the former member for Broadview, Ontario, as being the greatest orator Canada had ever seen because he was entirely unhampered by facts. Well, we have one here in the House of Commons at the present time who is running him a very close second, and when the Secretary of State very properly challenged that hon. gentleman on his statement that Mr. Banks as a landed immigrant could not be deported —and he went to the length of making a press release to that effect—on the very next page of *Hansard*, page 3404 of the issue for October 10, in the left hand column the hon. member for Prince Albert—and it is to him that I am referring—is reported as saying:

> They gave him the status of a man who was above challenge, so long as thereafter he lived within the law.

That is exactly what we Liberals have been saying. And in the very next sentence the right hon. gentleman goes on to say, entirely unhampered by the facts—"but Banks was above the law". In his first breath he says he was given the status of a man above challenge as long as thereafter he lived within the law—which is correct. And then, in the next sentence he says: "but he was above the law". How is one to believe statements made in this manner? The first statement was accurate. The second was as false as the Secretary of State stated it to be.

I regret exceedingly that this Liberal government has been forced into the position of bringing in legislation such as has been introduced today. We know it had to be done. When we took over we found that in the Department of Finance the interest payments on the national debt had been increased by a million dollars a day. We found that the unemployment insurance fund was bankrupt. We found that the Department of National Health and Welfare was allowing the issuance of dangerous sample drugs to people free of charge. And now, in the Department of Labour, we find a situation which calls for legislation of a kind which many who sit on this side of the house find it onerous to support. But because we volunteered in 1962 and re-enlisted in 1963 in the army to clean up the Augean stables which, according to the Greek myth, stank so much that two rivers were needed to clean them out—because we volunteered to clean up that mess, we mean to do so right now.

Mr. Peters: May I ask the previous speaker a question? A question has been raised as to whether or not Mr. Banks can be deported. I do not think the Secretary of State was correctly interpreted the other day and I

should like to ask him whether it is his opinion that Mr. Banks, because of his status as a landed immigrant, can be deported to the United States without the permission of the United States for him to land there.

Mr. Pickersgill: I think it is doubtful that we could deport anyone to any country which was not willing to accept the person deported. We cannot dump human beings into a country which does not want to accept them.

An hon. Member: You did that in Canada.

Mr. Pickersgill: Perhaps I might be allowed to answer the question without the intelligent assistance I am receiving. It is well known that under the law of Canada the grounds for deporting a landed immigrant are, as they ought to be, much more stringent than those which apply to someone who is just a visitor. When we give someone a landing in this country we give him a certain status and I think it is fair to say that a man who has been landed as an immigrant can scarcely be deported for anything he has done before the date of his landing. However, anybody can read the Immigration Act as well as I can, and it will be seen that until a person becomes a citizen of this country there are grounds for deportation and, therefore, the statement made by the Leader of the Opposition was not in accordance with the law which he himself helped to make. That was the only point I was seeking to make the other day.

Since I have been asked to answer a question, I should like to add this: the Leader of the Opposition did a lot of loose talking about this matter, but the only offence he mentioned in respect of which Mr. Banks had been convicted was the possession of smuggled cigarettes.

An hon. Member: Thirty thousand.

Mr. Pickersgill: Whether it was thirty thousand or three does not seem to me to make very much difference. Either somebody smuggles them or not. The number of cigarettes does not change the position.

Mr. Churchill: You are speaking of convictions in Canada.

Mr. Pickersgill: The Leader of the Opposition never gave any examples whether in Canada or elsewhere. He talked about the record Banks had and I asked the right hon. gentleman a question which he did not answer. The question I asked him was: was Mr. Banks ever convicted for anything after he was landed as an immigrant. And of course, the Leader of the Opposition, as he always does when asked an awkward question, changed the subject.

Mr. Nielsen: What about the record attached to the order in council?

Mr. Pickersgill: Well, until recently the Leader of the Opposition was head of the government for six years and I do not think that if Mr. Banks had been convicted of anything in the courts the right hon. gentleman would have been reticent in telling us about it. I am not seeking to defend Mr. Banks, but I can only assume the only conviction he had in Canada was for the possession of smuggled cigarettes. All these other things are charges, and for the author of the bill of rights to talk about charges as if they were convictions is for him to appear in a somewhat strange guise.

I am supporting this bill. I am 100 per cent in favour of it. I think the record of Mr. Banks as displayed in the Norris report is reprehensible and that he should not be in charge of this union. I also think that Mr. Banks, like every other human being, is entitled to have the truth told about him and not have statements made about him which cannot be supported by the record. If Mr. Banks is, in fact, guilty of some of the things of which the Norris report indicates he is guilty, and if the previous government in six years never laid a charge in the courts, I say hon. gentlemen opposite were derelict in their duty during all that time, considering the fact that this union is a union on the waterways of this country and that it would therefore have been within the power of the previous government to have laid charges in the courts, and to secure convictions, if such convictions could be secured.

Mr. Nielsen: May I ask the hon. gentleman one question. I have been following this discussion with great interest. As I understood what was said in the course of the debate, the order in council which was signed had a record as long as your arm attached to it. Surely the Secretary of State saw that record. I cannot understand why, in the face of that evidence, the order in council which gave Banks the status which has caused this difficulty was signed in the first place.

Mr. Pickersgill: There has been an awful lot of talk about "a record as long as your arm", and perhaps it is characteristic of the hon. member that he should have used this expression, but I notice he did not tell us anything about that record when he spoke. I think the hon. member will find that those offences were committed over 30 years ago by a young man who had no convictions for more than 20 years, except the conviction for possession of those smuggled cigarettes.

Mr. MacInnis: May I ask a question?

Mr. Pickersgill: Perhaps I could finish answering one question before I am asked another. Whatever judgment the government may have made at that time in this regard, and I have not seen the documents since that time, speaking to the best of my recollection I believe those offences were committed in California in the 1930's, the depression period, by a young man who had no other convictions after that time. That is my recollection; I may be wrong because I have not looked at the record for a very long time.

It is also my recollection that one, and perhaps two of those offences, were offences in the state of California that were not offences in Canada. Again I may be wrong; but whatever they were, the right hon. gentleman and many other hon. members of this house—not including me because I was not in the house at this time—made a change in the Immigration Act in 1952.

Mr. Winkler: A serious change.

Mr. Pickersgill: Yes, a serious change which I am sure the right hon. gentleman supported, because it was the kind of humanitarian thing he liked to associate himself with. Up until that time it had been the law of Canada that no one could be admitted to the country as an immigrant who had any criminal record. The law was changed to provide that if a man many years previously had a criminal record and if he appeared to be reformed he could, in certain circumstances, be admitted. This parliament made that change in the clear light of day. It was a very deliberate change and was made before I was a member of parliament, and it was in pursuance of that change in the law that the action was taken in 1954.

I have no doubt that, considering what has happened since then, if one had had the advantage of hindsight at that time, Mr. Banks would not have been landed. Maybe it was an error of judgment. That may well be, but I do say that it was in accordance with the law which I had no part in making. It was a decision made by my predecessor before I became the minister, but which, I have said before and I say again, I know he made conscientiously after the most careful examination of all the facts.

Whether it was wise or whether it was not wise is another matter, but anybody who suggests it was made by my predecessor on any other grounds than a conscientious desire to carry out the law made by parliament, does not know my predecessor in that office very well.

Mr. Webb: On a point of order, Mr. Chairman, once again we have just had another display by the Secretary of State, who is the house leader, jumping up when a question is asked of some other hon. member and trying to interfere. Perhaps he thinks the other hon. member who was asked the question is incapable of answering it.

The Secretary of State was not even recognized by the Chair, and just got up to make a long political speech. It is time something was done about this, sir. This is something which was brought to the attention of the Chair the other day, and tonight we have the same thing. The question was asked of the hon. member for York-Humber, but evidently the Secretary of State thought him incapable of answering it, so he jumped up and took over.

Mr. Pickersgill: On a question of privilege, Mr. Chairman, I understood—I may be mistaken—that the question was directed to me.

Mr. Webb: It was not.

Mr. Pickersgill: If it was not directed to me then I am very sorry indeed. I apologize most of all to the hon. gentleman to whom the question was directed. It is a well known fact that I am rather deaf in the ear pointed to the questioner, and I had no intention or desire to take part in the debate; but apparently I misunderstood. I thought it was a direct question posed to me, and as I had no desire to duck it I got up and answered it.

After all, sir, I too was elected to this house. It does seem to me that hon. gentlemen on the opposite side who are so touchy when there is any suggestion they should not be allowed to speak as often as they like, should realize even members of the government were elected to this house, and should also have a reasonable degree of freedom of speech in the house.

Mr. Douglas: I want to raise a point of order. Surely this discussion is going far afield from clause 1 of the bill. The government brought us back here tonight because we were told it was most important this legislation should be passed. We have now listened for nearly an hour to an argument regarding whether or not it is the Conservatives or Liberals who are to blame for Mr. Banks and the state of affairs in the shipping industry. Surely we ought to get on with the bill, and surely most of this discussion has been out of order so far as the first clause of the bill is concerned.

Mr. Pickersgill: On the point of order, I quite agree with the hon. member for Burnaby-Coquitlam, and I apologize for any part I took in this discussion.

Mr. Winkler: Mr. Chairman, I have a question for the previous speaker—not the interjector—and it certainly is not my intention to prolong the debate. I would like to

ask the hon. member for York-Humber, was he here this afternoon when the yeas and nays were called, and if so did he support the government?

Mr. Cowan: I stated when I began to speak that I had voted yea on the measure, and I said I wished to speak tonight about the little alacrity with which I supported the bill. I was here and I voted. I was not paired and I did not go behind the curtain.

Mr. Winkler: Utterly ridiculous.

The Deputy Chairman: Order. I wonder if we could discuss clause 1 of the bill?

Mr. Churchill: I heard your request, Mr. Chairman, that we should discuss clause 1 of the bill. I also heard the apology of the Secretary of State for his intervention in the debate, and I heard the speech made by the hon. member for York-Humber. But what are we to do now? Are we simply to accept this and let the Liberal party get away with these accusations against the former government? Are we to permit the Secretary of State to make the accusations he made against the leader of this party, in his absence, and then be restricted from replying? That is about what it amounts to.

We were thoroughly co-operative today and anxious to get this measure through the house, but we are being prevented by the type of speech made by the hon. member for York-Humber and the interjection by the Secretary of State, which I think is very regrettable indeed.

I will delay the house only for about two minutes to say that the Secretary of State, in accusing the leader of this party of not putting the facts on the record with regard to Mr. Hal Banks—

Mr. Winch: Delay no more. Let us have a vote.

Mr. Churchill: Mr. Chairman, I also appeal for freedom of speech in this chamber, the same as the Secretary of State, and I insist on my rights.

Mr. Pickersgill: Hear, hear.

Mr. Churchill: I simply refer the committee to *Hansard* for October 4, page 3216, where the leader of this party referred to the order in council, with the appendix attached to it, which lists the offences or charges under which Mr. Banks laboured in days gone by. He actually read part of the document into the record, and in the Norris report, on pages 104 and 105, something is said about the record of Mr. Hal Banks. For anybody from the Liberal party to suggest that the leader of this party was not putting the facts before the house is quite incorrect, and it is to this that I raise an objection.

Mr. Knowles: Mr. Chairman, I think it is pretty clear we will never get to the end of this discussion as to who was responsible for what in the past. Suppose we get back to where we were about an hour ago and invite the Minister of Labour to answer some of the questions that were put to him about the government's attitude toward the other culprits in the mess that is before us, namely, the shipping companies.

Mr. Nielsen: Mr. Chairman, I had not intended to intervene again in the debate because I thought I had set forth my reasons for voting against the measure quite clearly before the supper recess. However, the answer of the Secretary of State to the question I asked him is so incomplete that in all fairness I think it deserves a little elaboration. I have gone into the matter very carefully. I examined my conscience very carefully before I had the temerity to vote against the measure, and one of the factors that affected my decision was the record of Banks and my complete lack of understanding as to why the order in council was signed in the first place in the face of that record and, second, why he cannot now in the face of his background still be the subject of a special amendment to the Canadian Citizenship Act. I think Banks' record should be discussed a little bit further.

On February 5, 1930, at Long Beach, California, Banks was arrested on four charges of issuing n.s.f. cheques. On March 6, 1930, he pleaded guilty to one charge. On March 27, 1930, he was given a nine-month suspended sentence and placed on probation for three years on condition that restitution was made.

On July 22, 1930, at Los Angeles, California, he was arrested for burglary and was also charged with issuing an n.s.f. cheque. His probation was revoked. On September 17, 1930, he pleaded guilty on the cheque charge. On September 27, 1930, he was sentenced to zero to 14 years in San Quentin penitentiary. The district attorney asked that the burglary charge be dropped although the police knew that Banks had participated with others who had not been caught yet. He cited the sentence already given the accused.

On March 8, 1934, he was released from San Quentin, some three years later. On January 16, 1937, he was arraigned at Long Beach, California, on a charge of murder arising from one Oral Hammer having been kicked to death in a tavern brawl. On March 13, 1937, he was found not guilty of murder

or manslaughter. On June 28, 1942, at San Bernardino, California, he was up on a charge of child stealing which was dismissed.

Mr. Pickersgill: Was it not his own child?

Mr. Nielsen: I would not want to be specific because I am not sure of my facts in that particular regard.

Mr. Pickersgill: That is my recollection.

Mr. Nielsen: The information I have been able to gather is that he was arrested on a charge of child stealing and this was dismissed on June 28, 1942. On December 17, 1947, at Richmond, California, he was arrested on a charge of carrying a dangerous weapon and of disturbing the peace. The first charge was dismissed and he was found guilty on the second and was fined $30 or ten days. The fine was paid.

Now we come to that part of his record after he arrived in Canada. I would assume that all of the previous record in concise form must have been attached to the appendix to the order in council. Subsequent to his arrival in Canada, on May 7, 1949, at Montreal he was charged with causing bodily harm by Maurice Pitre. On May 25, 1949, at Montreal he was charged together with three others with carrying sawed-off shotguns and rifles by Frank Miner. On October 18, 1949, the Pitre complaint was dismissed on grounds of insufficient evidence.

Mr. Winkler: Who was the judge?

Mr. Nielsen: The Miner complaint against Banks was dismissed on grounds of lack of evidence but the three others were convicted. Judge Almond heard both cases.

On April 14, 1952, at Montreal Banks was charged under section 217 (3) of the Customs Act in a case involving 36,000 U.S. cigarettes. He pleaded guilty and was fined $200. The fine and costs were paid. I presume in this case the knowledge was in the possession of the Canadian government.

On January 9, 1954, at Montreal he was charged by Byron Ryan with intimidation. The case was dismissed when the complainant failed to show up. On October 10, 1957, at Montreal he was charged by Jacques Savard with defamatory libel and with publishing a libel in company with two others. That would be a criminal charge. The charge against Banks was dismissed but the two others were committed for trial. On October 17, 1957, at Montreal he was charged by Harry Mockeridge with defamatory libel together with two others, again a criminal charge. On December 19, 1957, the charge against Banks was dismissed. Judge Almond held that although Banks had control of the matter published he should be exonerated by reason of ignorance. Again, the two others were committed for trial.

So this is Banks' record as I understand it. In the light of that knowledge I have a complete lack of any understanding—

Mr. Munro: Could I ask the hon. member a question?

Mr. Nielsen: In just a moment, please. I have a complete lack of understanding as to how in the face of these facts the then minister could have allowed such an individual the status of a landed immigrant, which is right next door to Canadian citizenship.

Mr. Munro: Could I ask the hon. member a question? In the long list that the hon. member has just read how many convictions were there?

Mr. Nielsen: I think I dealt with each charge and the disposition of it. There was only one conviction, that for smuggling cigarettes.

Mr. Munro: In the whole list.

Mr. Nielsen: In Canada.

Mr. Munro: And in the United States how many convictions?

Mr. Nielsen: They are in *Hansard* now and you can count them, because as I went through the record—

Mr. Munro: This is grossly unfair. There is no purpose in reciting them if the charges were dismissed.

An hon. Member: Defending Banks.

Mr. Munro: Just fairness. That is all.

Mr. Nielsen: Perhaps the hon. member does not wish to hear the answer to his question. As I went through the list I gave the date and the charge and I think I also gave in each case the disposition of the charge. In Canada he was only convicted of the one offence. Nevertheless, there was a long list of charges and I would be astounded to learn that the Canadian government did not know of these charges.

Mr. Winkler: I should like to ask the hon. member a question. I did ask him in the course of his remarks and I believe he indicated that three of these cases were heard by a particular judge. I wonder whether he knows the name of the judge who heard the other charges.

Mr. Nielsen: In those cases where I have named the judge it was Judge Almond, but where I have not indicated the judge on the bench I cannot specify.

Mr. Lloyd: Mr. Chairman, as the house knows, I took my seat in the house for the first time on May 16, and I have listened attentively to many of the assertions and counter-assertions that have been made on various issues. As a backbencher sitting back and listening to the pros and cons of this matter, I think I can honestly and fairly say that all the evidence is in. Let us proceed to apply the remedy.

Mr. Thompson: Mr. Chairman, we in this house agreed to sit tonight so we could accomplish something definite in regard to the urgent problem that is before us. It seems to me it does not matter whether the past government, or the present government, or a government before that is at fault; we should be dealing with the issue that is before us. Judging from the caustic and uncomplimentary remarks emanating out of the United States today it is apparent that Hal Banks is a hero below the 49th parallel. At least, they seem to think more of him than they do of our present Prime Minister, or the past prime minister, or any of us here in parliament.

Mr. MacInnis: He might make a good leader for you.

Mr. Thompson: It seems to me it would be a sound proposition if we got down to the business of passing this legislation as quickly as possible, then perhaps on Monday morning the government could see whether through deportation or some other means Hal Banks might be sent back to the United States, because at least from what we hear from across the border they ought to be happy to receive him back. But the question is whether we will go ahead with this legislation. We are not sitting this evening to waste our time. Let us get on with it as quickly as possible.

The Deputy Chairman: Shall clause 1 carry.

Mr. Nielsen: Mr. Chairman, I just have one brief question, which bears on something with which the Minister of Labour is perhaps going to deal, or his colleague the Minister of Citizenship and Immigration. Am I not correct in assuming that a landed immigrant is still a citizen of the United States?

Mr. Favreau: Of course, Mr. Chairman, he does not lose his previous citizenship and he does not become a Canadian citizen until such time as he has been granted Canadian citizenship. In the present case, as has been explained, in accordance with the act as it stands, five years after having been landed as an immigrant, he has acquired, not Canadian citizenship but what we call Canadian domicile, and from that moment he could be deported only—

An hon. Member: What about Weldon Chan?

Mr. Favreau: —in accordance with the provisions laid down in the act, and the main one is subversive activities. I would say that I was not in parliament during all that time, but I think that in this matter all the responsibility or onus for having either admitted to this country or failed to deport Hal Banks during the five year period after his admission in 1954 rests with both administrations. The two administrations had the same opportunity to act in this regard, and I think we should all take it for granted until the contrary is proven, that during that five year period after which he obtained Canadian domicile, both administrations acted in good faith. If the previous government did not deport him during the two years he was under their jurisdiction, I assume they acted in good faith; and I assume the previous administration also acted in good faith.

Mr. Douglas: Mr. Chairman, there is nothing in this legislation that has to do with deportation. Surely the committee should not have its time wasted in listening to legal argument. If he could have been deported, then the previous government and the present government were derelict in their duty in not deporting him. But that is a separate question altogether. As a matter of fact I would point out something to my hon. friend who has taken up a great deal of the time of the committee in trying to substantiate his argument that if you deported Hal Banks today you would not get rid of all the trouble, because Paul Hall would send another one of his goons back here in the morning and you would have the same thing all over again. The only way to deal with the S.I.U. is to set up the kind of trusteeship covered by this legislation. I want to say, Mr. Chairman, that if we are not going to deal with this legislation now, I for one am prepared to present a motion that the committee rise and report no progress.

Mr. MacInnis: Mr. Chairman, prior to the vote I think there were four other hon. members besides myself who spoke against this legislation.

An hon. Member: Three.

Mr. MacInnis: Three others, rather. I was one of four. Since the vote a number of hon. members from the government side of the house have risen and taken up the time

of this committee to alibi themselves for the stand they took. There was the reference of the hon. member for York-Humber about going behind the curtain or something like that, which was uncalled for. He made his decision this afternoon and he has now taken up quite a bit of the time of the committee to alibi his way out of it.

I do not care how anybody votes, but this committee unanimously, including the four who voted against the legislation, put the entire blame for this situation, not on one or other administration but in the lap of Hal Banks. Why since the vote was taken have hon. members from that side of the house risen to alibi themselves out and cast reflections on the previous government? And then they do not expect us to retaliate, by casting reflections on the previous Liberal government. Prior to the vote everybody was unanimous in saying that Hal Banks was at fault. Now they have reached the point where they are asking who is to blame. People on the other side of the house have said that the Conservative government was to blame; people on this side have said that the present and former Liberal administrations were to blame. Then we had the leader of the New Democratic party rising and saying it does not really matter who is to blame. We have placed the blame where it belongs, with Mr. Hal Banks.

I will go along with the Minister of Citizenship and Immigration who said that both administrations were perhaps equally to blame, but I will include also the C.L.C. whose president, Claude Jodoin, made it impossible for any government to move against Hal Banks, because he was one of the citizens, one of the union leaders, who went before the immigration appeal court with this same Hal Banks and said he would make a model citizen. So the blame goes right across the board. Therefore let us have no more of who is at fault, this government or that government; the C.L.C. is also involved.

Mr. Thompson: Mr. Chairman, every party in the chamber has now had an opportunity to justify itself. Let us come back to the question.

Some hon. Members: Question.

Mr. MacEwan: That is the best speech you ever made, Bob.

Mr. Nielsen: Again, Mr. Chairman, I would not be rising but for the remarks of the hon. member for Burnaby-Coquitlam, who has accused me of wasting time.

Mr. Gray: That is right.

Mr. Nielsen: The hon. member has spoken on practically every debate in this house, and when one matter is raised about which my own conscience is deeply concerned he said I am wasting the time of the committee. He says the committee is wasting time hearing legal argument; but this question seems important to me. It may not be important to the hon. member. I am wondering whether any alternative is available, before this legislation goes through. One of my questions has been answered. I anticipated that answer and thought it would be as it was, from the Minister of Citizenship and Immigration.

I hope that when the Minister of Labour rises he will satisfy me as to why the alternative of amending the Citizenship Act was not adopted because, this being the extraordinary measure it is, surely an alternative, just as extraordinary albeit, but not having the necessity of imposing a trusteeship, could have been adopted. Why was not the Citizenship Act amended in such a way as to revoke the status of Hal Banks in Canada, thus making him no longer a landed immigrant and reverting him to his United States citizenship, in which case he could have been deported from this country?

Mr. Barnett: Mr. Chairman, at seven o'clock this evening I rose and took up a few minutes of the committee's time to pose a question to the Minister of Labour. I know that on at least two, if not three occasions in the time that has elapsed since he was on the point of rising but yielded the floor in courtesy to other members. I for one would still like to hear the Minister of Labour, before we pass clause 1, give answers that I think he is prepared to give to some of the questions, at least, that have been raised.

Mr. MacEachen: Mr. Chairman, with respect to the alternative that has been proposed as a method of dealing with this situation, I must remind the committee that the house has decided upon the principle of the bill on second reading; that is, to place the maritime transportation unions of Canada under the management and control of trustees. If at the second reading stage there were other alternatives, hon. members were free to place them in the form of amendments and test them in the opinion of the house. The house has now accepted the principle of the bill and is considering it in committee.

Several hon. gentlemen have asked me why there are no provisions in this bill to deal with the shipping companies. Mr. Justice Norris, as hon. gentlemen know, spent about a year studying the matter and preparing a report. I believe he reviewed this situation completely. It is true that he did apply some strictures to the shipping companies, especially the Canada Steamship Lines; but in his recommendations he made no proposals to the

Minister of Labour in respect of action to be taken against the shipping companies. He made a proposal that we ought to set up a government trusteeship. I presume he had concluded, on the basis of the evidence, that the root problem in the situation, notwithstanding the evidence of collusion that he found, rested within the S.I.U., and if that root problem were solved the rest of the situation would adjust itself. This is the only conclusion I can draw from this recommendation.

I say further to hon. members of the committee that if parliament approves this measure and if, as we expect, capable and reputable trustees are appointed to administer the trusteeship, they will be able to root out any future collusion that may exist, or conspiracy on the part of the shipping companies. The report of the inquiry was to the Minister of Labour and, in this bill, I am acting upon the recommendations of the commissioner in respect of the maritime transportation unions.

Now, with respect to any further actions that hon. members may feel are necessary or justified in so far as the shipping companies are concerned, that is a matter for the government as a whole. It would be a matter of government policy with which I cannot deal in a committee studying a bill whose principle has been approved by the House of Commons.

Mr. Douglas: May I ask the minister this? If the companies who have in the past broken the law and have connived with Banks in flouting the law, were to continue this practice, if they were to refuse to co-operate with the board of trustees and were to work with the racketeering element that the board of trustees hopes to eliminate, has the minister got power in this or any other act to deal with these companies and compel them to co-operate with the board of trustees?

Mr. MacEachen: Mr. Chairman, I think that this is a helpful question. Clause 10 of the bill provides for penalties that apply to any person who obstructs or hinders the trustees in carrying out their duties. It would seem to me that if the trustees found that any shipping company was obstructing them in carrying out the purposes of the trusteeship, then sanctions under this section would apply to the shipping companies. This would be my view.

Mr. Douglas: I am not a lawyer, and I welcome the minister's interpretation of clause 10. However, since this act is to provide for trusteeship over trade unions, I am wondering if a company which does not co-operate would be violating the provisions of this measure and would come under clause 10? It would seem doubtful to me.

Mr. Favreau: I would read the clause in this way because "person" includes a corporation. Whenever the bill speaks about hindering the activities or the carrying out of the duties of the trustees, there is no reason in the world why a shipping corporation which is hindering the trustees should not fall under clause 10.

Mr. Nielsen: I regret the fact that the minister failed to deal with or comment upon the suggestion I made concerning the amendment of the Citizenship Act. He knows, or he should know, that if I had wanted to move an amendment on second reading which would have embodied the suggestion I made, it would have been out of order. I cannot recall the house being faced with an amendment on second reading which would have the effect of repealing the measure under consideration.

Clause agreed to.

On clause 2—*Definitions.*

Mr. Peters: In paragraph (d) of clause 2 we find rather extensive powers are being requested. It would seem that a number of things will be picked up by this trusteeship, as happens in most cases where a trusteeship is invoked. The trustee has the right to pick up all the papers and documents, get control of the bank accounts and other journals connected with the operations of the union.

However, in this particular case mention is made of property of any kind, whether real or personal, movable or immovable and including money, rights of any kind and choses in action. There seems to be little that is left out. There have been some suggestions that the R.C.M.P. is ready to conduct the necessary raids to put this provision into action as soon as the bill is passed. This is probably as it should be. However, I am wondering if there are rights that may be taken away under this type of provision. If there were to be an accounting, there would probably have to be a reference to the exchequer court. There is a rumour that certain evidence may be disposed of, and I am wondering if the R.C.M.P. is to be empowered to act under this particular clause.

I think all hon. members will agree that the provision is rather extensive, and there should be some legal terminology applied here so that there will be an accounting of the property.

Mr. Herridge: Before the minister answers, I should like to ask two short questions somewhat related to the question asked by the hon. member for Timiskaming. Why are there two descriptions of property, one under the word "property", and one under the

words "property of a maritime union"? Would the minister explain why there are these two descriptions of property in this bill? Also, not being a lawyer, would he explain for my benefit, or illustrate what is meant by "corporeal or incorporeal" property?

Mr. Favreau: Mr. Chairman, may I be allowed to answer the last question first, with the leave of the Minister of Labour and more particularly of the chairman of the committee. The reason why in paragraph (d) of clause 2 the word "property" is defined is to make sure that, in whoever's hands it be found, the whole concept of property, whenever necessary for the carrying out of the purposes of the unions, is provided for under the act. In paragraph (e) that property which is defined in paragraph (d) may be in the hands of two types of unions, those which are incorporated and which can hold their own personal property—they are provided for in subparagraph (ii) of paragraph (e)—and those unions who are not incorporated and may not hold property themselves, but whose property is in the hands of other persons, in the hands of their administrators. Those are the type of unions provided for in paragraph (e)(ii).

As to the first question put regarding the generality of the definition of the word "property", the hon. member may rest assured that this is a matter which has been the cause of serious concern to, and therefore serious consideration by, the government. We came to the conclusion very sincerely that if there is to be a trusteeship the application of this legislation and the fulfilment of its purpose becomes impossible if the funds and investments of the union are not at the disposal of the trustees.

Second, I think one will agree that if the trustees are not vested with the control of the moneys of these unions the whole purpose of the bill may be defeated by anybody seizing control in a fashion not in conformity with the purposes of this legislation. The question is very serious and I think we all thank the hon. member for raising it. However, he will notice that, for instance in clause 11 (2), the government has shown its intention not to vest the trustees with these moneys just for the purpose of doing so. Because in the case of moneys which are directed to the establishment of a welfare plan for the seamen, the paragraph vesting the trustees with these moneys does not apply if the moneys are administered by trust companies or insurance companies. I think this explains the situation and I hope it answers the question.

Mr. Barnett: Mr. Chairman, I have a question with regard to clause 2 (c), which defines a maritime transportation union and a maritime union, as those terms are used in the bill. I feel there should be some explanation given in this connection, because if one consults schedule B, parts I and II, which schedule is referred to in clause 2(c)(i), it is clear that the trusteeship is to extend to maritime unions not only operating on the great lakes but also on the coasts of Canada. I feel that a good deal of misunderstanding may arise owing to the fact that all the discussion we have had is centred on a situation existing on the great lakes. I think a very natural question not only in the minds of us who sit in this house but in the minds of many people who are members of unions, as well as those who are citizens in other parts of the country, will be why any application of this act should be extended to the west coast or the east coast of Canada. I think the minister should give some explanation at this point why the bill does propose the inclusion of local unions, for example, the C.B.R.T. on the west coast of Canada, under the provisions of the proposed trusteeship.

Mr. MacEachen: I think that if my friend would refer to the recommendations of the Norris report he would find that Mr. Justice Norris pointed out the possibility of the extension of the operations of such combinations along the seaway in Canadian and United States ports, and on the coast of Canada. We attempted in the preparation of this legislation to include all unions in the maritime field so that the trusteeship would have control over the whole situation. The trusteeship might be very ineffective if responsibility was assigned to the trustees for one particular area and difficulties arose elsewhere which frustrated the operation of the trusteeship. That is why the total field is covered.

Mr. Barnett: Then do I take it from the minister's remarks that he would envisage the possibility that Mr. Hal Banks might decide to move his centre of activities to Vancouver and create a similar situation there to that which has prevailed on the great lakes? Is that part of the minister's thinking in this connection?

Mr. MacEachen: I think that is true. I believe this person to which my hon. friend refers has operated already in Vancouver.

Clause agreed to.

On clause 3—*Establishment of the trustees.*

Mr. Douglas: Naturally, Mr. Chairman, the minister would not want to name whom he intends to appoint to the board of trustees, but there is one recommendation of Mr. Justice Norris with which I do not agree, and

it is an important point. He suggested that the board should be made up of a chairman with wide legal experience, an economist with some knowledge of labour matters, and some person experienced in transportation. I should like to ask the minister whether he cares to suggest the kind of categories from which these people will come. Does he plan to have a lawyer, an economist, or what type of person is he thinking of appointing? If I may re-emphasize what has already been said several times from this side of the house, if one of the functions of this board of trustees is to take these unions one of which has lost democratic control and train it so that once again it can assume democratic control of its own affairs and manage them, this will call for a person with experience in trade union matters. I do not care how good an economist may be, how experienced a person may be in the transportation field, or whether you have a first class legal mind. Unless somebody knows how trade unions work and can lead these people step by step into assuming responsibility, I think the trusteeship is likely to break down because of a lack of understanding and communication between the board of trustees and the unions they are supposed to be supervising. I wonder whether the minister has given any thought to the kind of person he is proposing to appoint.

Mr. MacEachen: I am glad to tell the hon. member what is under consideration or, at least, what I have been thinking about. It has occurred to me it might be helpful to have as chairman of the trustees a person of judicial attitudes, whether he be a judge or whether he be someone who has experience in mediation or arbitration. I agree that it is necessary to have on the trusteeship body a person very knowledgeable in labour matters, preferably someone with personal experience of the conduct of union affairs. With these two considerations in mind we shall attempt to get an effective group of men to discharge this responsibility. I am in full agreement with the suggestion made by the hon. member for Burnaby-Coquitlam that the trade union aspect ought definitely to be represented.

Mr. MacInnis: Would the minister's answer indicate that the name of the hon. chief justice will be considered, possibly for the chairmanship?

Mr. MacEachen: The hon. member obviously is thinking of the kind of highly qualified person I have in mind. But I certainly do not want to start naming names tonight.

Mr. MacInnis: Possibly the minister could indicate whether Mr. Walter Harris has been considered.

Mr. Aiken: There is no doubt, I presume, that the three trustees will all be Canadians?

Mr. MacEachen: Yes, Mr. Chairman, they will be.

Clause agreed to.

Clause 4 agreed to.

On clause 5—*Personnel.*

Mr. Nielsen: I have one question to ask on clause 5. I see that clause 17 provides for the payment of certain expenses to be paid out of government funds. I wonder if that clause will apply to the payment of personnel who might be appointed under clause 5?

Mr. MacEachen: Yes, Mr. Chairman.

Mr. Peters: I was wondering whether the minister expects the trustees to be active in the actual operation of union affairs. In other words, does he contemplate that the trustees will operate from some remote point, or does he expect them to participate actively in the operation of building a new union as a full time job.

Mr. MacEachen: Yes, I take it the trustees must be in full charge of the situation. It would in my view certainly be a full time job for these men. It might be necessary for them to hire other persons to assist them, but I would expect that the trustees would be closely identified with the activities which they intend to control.

Mr. MacRae: I note that the entire cost of the trusteeship is to be borne, as I understand it, by the government of Canada and thus, ultimately, by the taxpayers of this country. Has the minister given any consideration to having a certain amount of the cost of this trusteeship paid by the five unions involved?

Mr. MacEachen: I think it would be reasonable to expect the taxpayers to assume the cost of these proceedings because this is to be a public trusteeship—the trustees are to be appointed by the government pursuant to an act of this parliament. If a private trusteeship had been in effect, and if the prime responsibility rested upon the union movement, I think it would be fair for the unions themselves to have borne the expense, and this is what was in mind in the now lamented private memorandum we had worked on. In this case, however, the trusteeship is public, not private and it seems reasonable to me that we should deal with it as an expense to the taxpayers.

Clause agreed to.

Clause 6 agreed to.

On clause 7—*Function of the trustees.*

Mr. Barnett: I feel this is one of the more important clauses of the bill since it outlines the responsibilities and duties of the trustees. It tells them, in fact, how they are to operate and what powers they are to receive. With reference to clause 7 (1), the question has arisen in the minds of some of us whether or not, according to this wording, the trustees will be subject to and have to operate within the ordinary terms of the Industrial Relations and Disputes Investigation Act. I, for one, feel that the legislation as drafted does not make this point clear. It says nothing about it one way or another. It does say specifically in line three that the trustees must act in accordance with the legislation which we now have under consideration, but I am wondering whether any thought has been given to the point which I have raised.

It has occurred to me that if, immediately following the words "this Act" in line three, words to this effect were added—"and subject to the terms of the Industrial Relations and Disputes Investigations Act" the position would be made entirely clear. At the back of this suggestion is my idea that these trustees should in effect be acting as if they were the duly elected officers of the trade unions involved, and that it should be clearly set out that they would be expected to deal with such matters as negotiations with the companies when the time comes for these negotiations to be carried out. In other words, they would be acting as if they were officers of a trade union dealing with the companies and subject to the normal operation of our labour laws. Has the minister any comment to make on that suggestion?

Mr. MacEachen: It is intended that the trustees should fully observe the normal industrial relations law, and there is nothing in this bill which would supersede the application of the act to which the hon. member has referred. We fully expect that the trustees will operate within that framework.

Mr. Nielsen: With respect to clause 7(5) I see that there is a power of delegation so extensive that it would amount to a complete abnegation, if it were exercised, of the responsibilities of the trustees. Under the subsection the trustees may delegate "any or all of the duties and powers of the trustees to any person appointed by the trustees." As I read this, the trustees could delegate all the powers which this legislation gives them to a single person or to a group of persons. The danger which I see is the possibility of the trustees delegating the whole of the powers to any one individual. I am wondering what is the purpose behind this subclause?

Mr. MacEachen: I think we have to assume the trustees will delegate in accordance with the authority they will have under this bill. It may well be necessary to have this kind of delegation because of the extent of the operations coming under the trusteeship.

The Canadian maritime union has one local with 500 members. The S.I.U. has 17,000 members, with two divisions. The marine engineers have seven locals and the Canadian merchant service guild has two divisions with more than 2,400 members. The C.B.R.T. has 13 locals in various parts of the country, in the east and the west, so that it certainly will be necessary for the trustees to have this power of delegation, and presumably in certain instances this will not present any difficulty. Presumably there are certain unions which will operate normally without delegated powers, and the trustees will not have to probe very deeply into some of these operations where the unions are currently operated democratically.

It seems to me, while these powers are necessary, the possibility of delegation strengthens the capacity, even under trusteeship, for the locals to operate on their own.

Mr. Douglas: I think the hon. member for Yukon has raised a good point. The delegation of powers by the board of trustees to elected officers of a union is perfectly understandable, and I recognize the delegation of powers to another person may be necessary because of the scattered nature of the operations. But this parliament is giving very wide powers to the board. The board in turn is going to have the authority to delegate these very wide powers to some other person, and if that person uses them in an irresponsible manner, then the board of trustees will be in trouble and we will be in trouble.

The kind of persons to whom these powers are delegated is an important matter. I think it comes back again to the whole question of the board of trustees. We have the minister's assurance that it is not going to be a board which meets once a month, and then the members carry on their regular occupations and leave a group of people to whom they delegate authority to discharge their responsibilities. The board must be full time, and must stay on the job. In addition, the people they select to whom they delegate responsibility on both coasts and at various points in Canada, will have to be carefully selected.

When the minister talks about selecting some person who has judicial experience there is something to be said for that, because a person with judicial experience is accepted

as being fairly objective and unbiased; but the fact remains, no matter how unbiased he may be we are all creatures of our own environments. Some judges have had most of their training in corporation law, and have spent most of their professional lives acting on behalf of corporations. They have that particular viewpoint; but there are judges—I could name two or three—who have had a good background in dealing with labour matters and who have acted frequently in labour cases, in conciliation and arbitration cases. When the minister is making the appointments I hope he will keep this in mind.

I feel that some person in the judiciary who has had a good association with labour, a good understanding of labour law and the principles involved in operating a union, ought to be selected. If that kind of person is not selected and the board delegates these responsibilities to some person who may have no understanding of trade union procedure, then there will be a complete breakdown in relations between the board and its appointees on the one hand, and the men who work the ships on the other.

Mr. MacEachen: I agree with the comments of the hon. member that it ought to be the objective to select a person—even if that person is a member of the judiciary—with experience in labour matters. We shall make our effort in that direction.

Mr. Baldwin: There is a question I was going to ask under clause 9, but in view of the fact the minister has directed his attention to subsection 5 of clause 7 I may as well ask it now. Is it intended that the exemption from individual liability envisaged under clause 9, so far as the trustees are concerned, will extend to those to whom the trustees have delegated power?

Mr. Favreau: I think the answer to this is that the trustees will not be a body corporate. Were they to constitute a body corporate then they would be placed in the same situation as directors or presidents of a company. It is only out of fairness to the trustees that the clause has been devised that way, and I think it must be read that the trustees, for all practical and legal purposes, will have the same type of responsibility with respect to funds, their application or otherwise, as the directors of a corporation personally would have in the same situation.

Mr. Baldwin: What I wanted to take from that is the fact that that exemption from liability does not extend to people to whom the trustees might delegate authority under subclause 5. I want to know was this the intention, that such exemption from responsibility will not attach to those to whom powers are delegated under clause 7(5)?

Mr. Favreau: I have no authority to speak here, otherwise than in my own name, so far as my opinion of the text is concerned, but it is my clear opinion that this clause relieves only the trustees themselves, and in no way whoever may assume delegated authority from their hands.

Mr. Nielsen: The minister's opinion is very helpful, but I think what my hon. friend and I are interested in is knowing whether it is the intention of the government that those to whom powers are delegated will not receive the same protection as the trustees under clause 9?

Mr. Favreau: I am advised by the Minister of Labour it is the intention that the clause be applied as the hon. member just suggested, so as not to free those exercising delegated power.

Mr. Scott: I want to direct a question to the minister with regard to subclause 2(a). It provides for the establishment of advisory councils of seamen and their representatives and joint advisory councils of seamen and ship owners to advise, and so on. Could we have some explanation as to what the ship owners are going to be doing, and how it is envisaged they will fit into the general pattern of the trusteeship? We are somewhat mystified by it. I wonder whether the minister could elaborate on the role that it is intended the ship owners will play.

Mr. MacEachen: Mr. Chairman, my hon. friend will notice that Mr. Justice Norris did recommend the usefulness of having advisory committees of seamen on the one hand and of ship owners on the other. I think first of all it must be mentioned that the trustees will be free to decide on this point. They are free to appoint them or set them up if necessary. We think there is some value in the trustees having the opportunity to set up advisory committees of seamen on the one hand and to set up as well, if they so desire, a committee of ship management and labour. Surely it is common practice for labour and management to sit down together, and this may be a helpful development in this situation.

Mr. Knowles: Mr. Chairman, we are quite familiar with the idea of labour-management committees and labour-management co-operation, but it is not the usual thing for the leadership of a trade union to have the authority and responsibility to appoint an advisory council consisting of both its own people and management people. It seems to us

that this clause overlooks the fact that what is being appointed by this legislation is a board of trustees to administer the union. In our view these trustees are for the time being the heads of the union organization. Their purpose is to get things cleaned up and to get democratic processes operating again. But it appears to us that there is a suggestion here that there is to be a relationship on the part of these trustees with the management side that is not the usual thing in trade union organizations.

We feel that this same situation occurs in clause 7 (2) (c) where the trustees are given the right to tender advice to bargaining committees of a maritime union. If you couple with that the fact that the trustees may have an advisory council consisting of both labour and management, one wonders what kind of advice these trustees may give to a bargaining committee that is engaged in collective bargaining with management.

Our whole point is that if we accept the principle of trustees to run these unions for whatever period of time this legislation is in effect, they should in effect have the trade union point of view. It should be a clean, democratic, free trade union point of view; but nevertheless it should be the trade union point of view, and it is our feeling that point of view is set aside by the language both in 2 (a) and 2 (c).

For example, what happens if under 2 (c), —and I think 2 (a) and 2 (c) are related,— the committees that are doing the collective bargaining get advice from the trustees based on advice they have got from this joint advisory council, which is advice that suggests that the union seek less than it may be seeking in its collective bargaining? Does this not destroy the normal rights and privileges of a trade union? Should not the whole relationship between the trustees and management be just as much at arm's length so far as management is concerned as it is in the case of ordinary trade union officers?

Mr. Aiken: Before the minister answers I wonder whether I might ask a related question arising out of paragraph (c). To follow one step farther than the hon. member for Winnipeg North Centre has gone, I would point out that the trustees may delegate the power to enter into a collective bargaining agreement. If such a collective agreement is not effected, do the trustees have the power to call a legal strike under this legislation?

Mr. MacEachen: The answer to the question is yes. May I point out to the hon. member for Winnipeg North Centre that these councils are joint councils and they were made joint councils for the very reason that the hon. member suggests. As I recollect, the Norris commission recommended a separate advisory body of employers or ship owners and we thought that we ought to protect the points made by my hon. friend, namely, that if in the management of a union the point of view of the ship owner was to be received at any stage it should be received in a meeting at which labour men were also represented. So there is that control in so far as the exercise of advice is concerned. It is control by the presence on that council of the seamen or representatives of the seamen.

Mr. Knowles: The minister does not seem to have got our point. What we are setting up here is not a body that has oversight of the relations between labour and management. What we are setting up here is a substitute for the trade union leadership itself. These trustees will take the place of the normal administrators of the trade unions concerned. Does the minister know of any trade union in this country where the officers of the trade union have the right, on their own initiative and authority, to set up a joint advisory council of labour and management, where the officers of the trade union name the representatives from the management side? It seems to us that our point is being missed by the minister.

Mr. Favreau: I think I see the point that the hon. gentleman makes. I take it that the hon. gentleman means that the trustees, as in the case of a trade union itself, ought not to be given the power, which a trade union would not otherwise have, to designate and appoint members for management on any joint advisory body.

Mr. Knowles: Any more than management should name the representatives of the union.

Mr. Favreau: I think the problem might be solved if instead of giving direct power to the trustees to establish advisory boards we gave them the power to promote the establishment of such boards. Then there would be no question of their having the right to appoint members from management or members from the union side. This would permit entire freedom of discussion and would, I think, place the trustees in the same situation as that in which a union would be in a case where a union would seek to convince management to get together with the union to try to form a joint committee. Therefore I would be ready to move an amendment myself, with the concurrence of the minister, who would agree, replacing the word "establish" by the words "promote the establishment of". Would that be agreeable to the

hon. gentleman? Then there would be no direct power given to them.

Mr. Knowles: I think the Minister of Citizenship and Immigration has caught our point and I believe the suggested change of wording may meet it, although we may have to look at it closely. The trustees may promote this sort of thing, but they are not given the power to name representatives of management. In other words, what we are trying to avoid here is company unionism in reverse.

Mr. Favreau: Perhaps we could proceed with the other clauses, Mr. Chairman, and come back to this subclause. In the meantime we could work out an amendment.

Mr. MacInnis: On that point, Mr. Chairman, and following up the remarks of the hon. member for Winnipeg North Centre, I think what we must ensure is that the trusteeship which is to be set up here is in no way associated with management and should not be associated with management unless they are negotiating or renegotiating a general agreement. We take it for granted that union representation will be available to the trustees, and therefore the trustees will also be associated with management when the union feels they must meet the company to discuss a grievance. Any other association between these trustees and the company should be entirely eliminated. There should be this association during the negotiating or renegotiating of a general agreement, or in the case of a grievance when the union advisers to the trustees see fit to have a meeting with management; otherwise they should be kept entirely separate.

Mr. Herridge: Mr. Chairman, I was interested in the minister's reply to a question, to the effect that the trustees would have the power under this act to call a strike. Could he illustrate to the committee under what possible circumstances the trustees would call a strike after receiving the advice of an advisory council composed of management and labour?

Mr. MacEachen: First of all, of course, the trustees are not obliged to accept any such advice. This clause has no connection whatsover with the collective bargaining situation; it is not intended to apply to any such situation. The trustees, acting as union officers, would be free to call a legal strike, because there is no attempt to restrict them by this particular paragraph (a). I certainly think that if there is any fear on this score, the amendment that will be proposed by my colleague will overcome any difficulty.

Mr. Douglas: Mr. Chairman, I would ask the minister whether I am right in assuming that two kinds of councils are contemplated in paragraph (a). The wording is that the trustees may:

> establish advisory councils of seamen and their representatives—

I assume those councils would be made up entirely of seamen, and their function in the main would be to advise the trustees in matters of negotiation, what wage demands they have and what recommendations they have regarding wages, hours and conditions of labour. Then we are also dealing with a second council, and the wording is:

> —and joint advisory councils of seamen and ship owners—

I imagine they would meet together for the the purposes of administration. Is my interpretation correct; are there two different kinds of council?

Mr. Peters: Mr. Chairman, I do not think joint committees get together to do anything in the way of labour-management relations, other than such things as setting up a study of safety, which is a mutually advantageous matter, and industrial promotion, automation in the industry, and other things that go along with that. These two functions in the main, industrial promotion—which would be a labour-management function in the normal sense—and the industrial safety function should perhaps be added in order to get rid of these implications. I do not think you would ever have harmony enough to bring these two groups together for any other purpose, if this were successful. If it were not successful, it would break down and you would have a company union; and this is certainly not the intention.

Therefore it might be wise for the minister to add the two categories which I have suggested, that of safety and industrial promotion in normal labour-management relations in an industry sense, and the industrial safety function. I think there is a role that the trustees could play, as do normal unions and management, in these two fields. But I think it would be very foolish to go any further than these two fields which are not directly related to the grievance procedure, to the negotiation procedure or to normal union-management responsibility.

Mr. MacEachen: Mr. Chairman, may I say that I agree fully with my hon. friend with respect to this particular point.

Mr. Nielsen: Mr. Chairman, I am not so sure that the assurance which the minister has given to the committee is accurate. Under clause 7, as I read it, the trustees are given the powers that are listed in subclause 2 to

act under the bylaws and constitution as provided in subclause 1. But nowhere in the powers that I see listed in clause 7 is the power given to the trustees to call a strike.

There is a rule of law, which I am sure the Minister of Citizenship and Immigration is aware of, which stipulates that where you enumerate certain classes of power and neglect or overlook, intentionally or otherwise, to enumerate others, those others are excluded. It seems to me there may not be the power in the trustees to call a strike under the provisions of this clause, and it might be a good deal better if it were spelled out in the provisions of the bill that the provisions of this clause in no way abrogate the powers of the trustees to call a legal strike on behalf of the union membership, should circumstances arise where this is desirable.

Mr. MacEachen: Mr. Chairman, there is nothing in this bill that supersedes the Industrial Relations and Disputes Investigation Act. Therefore there is nothing in this bill inhibiting the rights that are accorded under the present labour legislation of the country. The trustees have the management and control of the maritime unions, and the clause says they may jointly do all such things as the officers of the union may do under the constitution and bylaws of the union. Surely the constitution and bylaws will direct the trustees as to the way in which they might call a strike?

Mr. Nielsen: That still does not allay my fears, Mr. Chairman, that the rule of law about which I spoke a moment ago would not apply in this case. The minister has mentioned the Industrial Relations and Disputes Investigation Act and I think he should read carefully the section that probably assisted him in drawing up subclause 1 of clause 7, which says:

> The management and control of the maritime transportation unions is hereby vested in the trustees who shall, in accordance with this act, manage and control each of the maritime unions—

And so on. To my mind this confines the powers of the trustees to those powers that are set out in subsection 2 of the clause. Nowhere within those powers do I see any power or saving provision which would allow the trustees to call a legal strike, if that were the wish of the membership of the union. I think it would be far better, rather than subjecting the whole matter to future tests, to spell it right out in the powers that are given to the trustees and to preserve, in that fashion, beyond any dispute whatsoever the right of the union membership to strike, should the trustees feel it to be in the best interests of the union.

[Mr. Nielsen.]

Mr. MacEachen: There is no doubt whatever that the trustees will have this right because all this bill attempts to do is to provide for the management and control of the unions, one side of industrial relations. It does not attempt to provide regulations covering employer-employee relationships. These are established under a separate act. This bill simply means that the trustees will be obliged to manage the union in accordance with the provisions in this measure. There is nothing in the bill that prevents their calling a strike. They are empowered to do so under the constitution of the union.

Mr. Nielsen: I am afraid I still cannot accept that argument. What the minister is saying is that because there is nothing in the bill to prevent the calling of a strike the trustees are empowered by law to do so. If that argument were valid, then the powers that are most elaborately set out in the bill concerning financial arrangements and so on, would be unnecessary.

I again suggest to the minister quite strongly that there is doubt about this matter, and rather than subject it to future tests the course of prudence would seem to indicate that the power be included. This would certainly reassure the seamen who are most affected by this legislation. If the power to call a strike were clearly spelled out, there would be no doubt whatever that the trustees would have that power.

Mr. MacInnis: I believe this issue is becoming more and more confused. There are many people who apparently do not understand the circumstances of certain unions. The minister has just agreed to some remarks made by the hon. member for Timiskaming. While I may agree with the purport of what he said, it only adds to the confusion surrounding the duties of these trustees. Reference has been made to the power of the trustees to call a strike. I believe this power is amply covered by the fact that the prime duty of the trustees is to clean up the unions. In doing so, the trustees will act according to the constitution of the union. There is no doubt whatever but that the constitution of the union will provide for strike action.

Since the trustees are to replace the union executive, I think we are only complicating matters further when we speak of such things as industrial management, production and development. These things are usually referred to in cases where management and labour have been working hand in hand and have been agreeing on such things as safety committees or sick committees. These duties are not usually handled by the executive officers of the union, but by the rank and file of the union.

I believe we are only complicating matters further by referring to the duties of these trustees. I believe the trustees' duties should be put in the simplest form possible, namely to clean up these unions. This should be done within the constitution of the unions. Do not saddle the trustees with a lot of nonsense about things that are handled by a local union in the normal routine. There is no doubt that the power to call a strike is written right into the constitution of the union, and to talk about what the duties of the trustees will be only adds to confusion. I think it is imperative that the trustees be put in the position of acting as union executive officers normally act. It is not normal for union executive officers to be running to management with this and that problem. Their duties, so far as management is concerned, should be confined to negotiating general agreements or renegotiating them, or perhaps dealing with a grievance. Other than that, I feel that the duties of the trustees should be confined to union business, and never mind this nonsense about management.

Mr. Peters: I think there is a reasonable difference of opinion in this case. I am sure that the minister must have had some reason for writing in this paragraph (a) of clause 7. There is reference to the establishment of advisory councils of seamen and joint advisory councils of seamen and ship owners to advise the trustees in the carrying out of their duties. I believe you should add that this relates to the field of industrial safety and labour-management co-operation. If this is done, I believe the provision will make some sense.

I think it is a fact that the seamen themselves are going to have safety committees, just as management probably has safety committees. If you are going to have a joint advisory council to bring them together, in my opinion it would only be for the purpose of dealing with things which are legitimately within the field of management-labour co-operation. The hon. member for Cape Breton South made a reference to this. First of all, the federal government has established a safety department and has also established a labour-management department. I would suggest to the minister that he should have one of his colleagues write in a definition of the fields in which they want these advisory councils to act. There should be a reference to these fields of safety and labour-management co-operation which the federal government now supports. These activities could be extended into the maritime field where, I expect, there is very little co-operation between the various agencies involved.

Mr. MacRae: I wish to discuss subclause 4 of clause 7. I take it the discussion is completed on subclause 2(a) or that the Minister of Citizenship and Immigration is drafting an amendment. At any rate, in the interests of getting on with this legislation, I will be as brief as possible.

Subclause 4, if it is stripped of its legal verbiage, would appear to read that the trustees may not increase the salary of any union official and, second, if the union wishes to decrease the salary of any officer of the union, that would not be valid unless the trustees approved of it. I should like to ask the minister why the subclause is in the bill at all. After all, if the trustees have complete authority over the union, why should they be circumscribed in the first place by not being able to raise the salary of any union official; and if they have complete authority, why should the second part of the subclause beginning with the words "and after the commencement of" be there at all?

Mr. MacEachen: The first point is that the effort in the legislation is to provide that the trustees exercise their authority through the existing constitutions, except where otherwise provided. In this particular case the provision is made that the reduction of a salary, cutting it in half or cutting it out altogether, will be prevented in an effort to remove an officer in an indirect way.

Mr. MacInnis: Mr. Chairman, I do not mean to carry on a cross-fire between myself and the hon. member for Timiskaming, but I think I speak with some knowledge of the workings of a labour constitution. I cannot see how you can draw management in when the trusteeship is set up to replace or to displace a union's executive. I feel that there must be the operation of a union executive. I brought up the matter of negotiating or renegotiating contracts or general agreements for the simple reason that this legislation will probably be in force for five years, and unless someone is prepared to tell me that the seamen will be under contract for the next five or six years this is a matter which will come before the trustees. At some time or other in the near future they will have to face the company with a general wage agreement or negotiate further agreements with the company. It is provided in the constitution that the union operate according to that constitution, and I see no reason why all these side issues should be brought in. The constitution of the union itself will provide for their duties. The whole question boils down to the trustees displacing —and that is probably the better word in this case—the union executive; and having done that, they then govern themselves under their own constitution, as the bill so provides.

With regard to the other issue which was raised about committees set up here and

there, that is a matter which is handled within the routine of labour locals in any case. A lot of hodgepodge has been piled up which is absolutely unnecessary, but I think it is vital that any reference to a joint committee between the trusteeship and the management must be eliminated. The prime purpose of this legislation is to displace the union executive officers who are not capable or competent or honest or trustworthy enough to operate the unions, and to replace them with a trusteeship. Let us not confuse the issue any further by telling them that they have anything to do, other than follow the union constitution provided for them.

Mr. Barnett: Mr. Chairman, this discussion on clause 7 has gone on at some length, particularly with reference to subclause (2)(a) dealing with a joint advisory council between the seamen and the ship owners. I have been sitting here with a draft amendment in my hand which expresses my own thoughts on the matter, and I feel that the simplest way to clear the matter up, so that there is no room for any suspicion that it was the intention of parliament that these trustees should act in any other capacity than as agents for the time being of the unions concerned, is to move the following:

That clause 7(2)(a) of the bill be amended by deleting therefrom the words "and joint advisory councils of seamen and ship owners and their representatives".

It seems to me that that would bring the clause into line with its general concept, which, as I understand it, sets out the directions in which we would like to see the trustees move as quickly as possible in the reorganization of the affairs of the union, in keeping with trade union principles and the constitutions and bylaws of the various unions.

I understood from some remarks made earlier by the Minister of Citizenship and Immigration that he was prepared to give consideration to drafting some amendment which would change this subclause in the manner we would like to see it changed. I think the draft amendment I have would be the simplest way out of the situation.

The Minister of Labour made one or two references to the recommendations in the Norris report in this connection. I suggest to the minister that he has already indicated some departure, as far as his thinking is concerned, from that of Justice Norris, particularly with respect to the kind of personnel who should form the trustees. Generally, the approach of the minister indicates he is in agreement that it should be clearly understood that the functions of the trustees are to act in a substitutive manner as trade union officers for the time being. As far as I am concerned, in view of all the discussion which has taken place on this clause and the earlier remarks of the Minister of Citizenship and Immigration, perhaps we should ask that clause 7 stand for the time being and come back to it later when the Minister of Labour or the Minister of Citizenship and Immigration might have some amendment to offer the committee.

Mr. Lloyd: On a point of order, I understood that we agreed to this three quarters of an hour ago; that is, unless I misheard the minister of citizenship when he spoke to this matter. I even noted his use of the words "promote the establishment of"; he suggested that they be substituted, and I heard another hon. member from the hon. member's party say he thought that might be acceptable, that we should go on and let it stand. That is exactly where we are now.

Mr. MacEachen: I am agreeable to standing paragraph (a) and we will come back to it. We can pass clause 7 but come back to paragraph (a) at the end.

Mr. MacInnis: Perhaps the Minister of Labour would allow me to make a suggestion. I feel the clause should read in this way:

That subparagraph (a) of subclause (2) of clause 7 should be amended by deleting in lines 24, 25 and 26 the words "and joint advisory councils of seamen and ship owners and their representatives".

If those words were deleted I think it would meet with the satisfaction of the last speaker. That is exactly what I suggested before.

Mr. Peters: I believe the advisers of the minister had in mind the establishment of something more than would be represented by this provision if we emasculate it. I agree with the suggestion that this be left for the time being until someone has had a chance to look at it, and incorporate what I believe must have been the original intention of establishing a relationship between parts of the industry as a whole, so that joint labour-management relations could be worked out. I think that would be the purpose intended, though maybe the wording was bad in the first place. However, I strongly urge that the provision should not be dropped. This is a forward-looking step and if it is a move to establish joint labour-management consultation in this field we think it is desirable.

Mr. Greene: Bearing in mind the fact that this bill will hit the courts about as quickly as it is passed here, and live its natural life in the courtrooms until the happy day when it is never seen again, it behooves all of us,

including the law officers of the crown, to the best of our ability, to make sure that every facet of it will stand up. In particular I have considerable qualms with regard to subclause 5 of clause 7. The law of trusteeship is a provincial right within the constitution and I wonder whether this broad power of delegation given here will stand up in the courts. I should like to hear something from the law officers as to their opinion in this regard. Even assuming the constitutional validity of this bill, is this broad power of delegation within the ambit of the federal authority? In the second place, even it be within the ambit of the federal power to delegate trusteeship to this extent, I fail to see the effect of the words in the subclause "or elected as an officer of the union". The subclause reads:

> In respect of a maritime union the trustees may from time to time delegate in writing any or all of the duties and powers of the trustees to any person appointed by the trustees—

To me, that is the end of it. What is the meaning of the words which follow? If they can delegate these powers to anybody, what is the point of adding the words "or elected as an officer of the union"? I suggest that these words are redundant—that they are redundant words in a statute which will undoubtedly live its full life in the courts.

Finally I would suggest that consideration be given to the opinion expressed by hon. members opposite to the effect that clause 9, to which perhaps I might be allowed to refer for a moment, may not give the indemnity or exemption to delegates of the trustees, even if the power to delegate is lawful. Surely it would be wise to add in clause 9 the words "or the delegates" so that it will read "the individual members of the trustees or their delegates—" and so on.

The Deputy Chairman: Shall clause 7 carry?

Mr. Knowles: Let it carry, all but (2) (a) and let us look at that an hour from now when the minister has an amendment.

The Deputy Chairman: Is that course agreeable to the committee?

Mr. Peters: I notice that in this clause under subclause (3) (d) the trustees are given power to retain and use the seal, if any, of the maritime union. I suppose it would be lawful to do this, but I am wondering whether it would be just. The seal might be used for purposes for which it was never intended, because in some of these cases it actually belongs to international unions. It might be in the custody of one of the locals, but it often remains the property of the international union.

Mr. MacEachen: We intend through this provision to maintain the identity of these unions where they have seals. I think that is the purpose of it.

Mr. Baldwin: I should like to make one suggestion in relation to a point which has already been made by my hon. friend from Yukon. I have the strongest doubts whether the legislation as drafted gives the trustees power to exercise all the functions which the union would have had prior to the enactment of this measure. Clause 7 authorizes the trustees to manage and control in accordance with the legislation we are now considering. It then goes on to say that the purpose is to try to return the unions as soon as possible to the management of their own executive officers. When the minister is considering the amendment to which he referred a few minutes ago, would he also consider adding as part of clause 7 subclause 1 some such words as: "Save as otherwise provided, the trustees will have the same powers, duties and responsibilities as the union did prior to the enactment of this legislation". This would set at rest any doubts there might be in the matter.

Mr. MacEachen: I think the point raised by the hon. member has already been covered. I believe I read it a short time ago. It is covered in paragraph (f) where it says in effect that the trustees may—

> —generally do all such things as the officers of the union may do under the constitution and bylaws of the union.

Mr. Baldwin: I read that paragraph, but I think the Minister of Citizenship and Immigration will probably bear me out when I say there is a rule known as *ejusdem generis*. When you relate subsection 3, which has given the trustees certain financial and business powers, and take these powers from (a) to (e) then you say in (f) "generally to do all such things as the officers of the union may do" you might well be met, when you come to this point, that (f) is a general, all-embracing, catch-all clause dealing with matters already covered in (a) to (e), or along the same general lines.

Mr. Lloyd: While that is being considered, I understand the spirit of this legislation is to have the trustees supplant officers. When the officers have been replaced by trustees there are many things that may be discovered which you cannot delineate in this legislation. Therefore you must draft this legislation in broad permissive powers, and the trustees will be guided by the principle of the law just to put the house in order and return it in a satisfactory state to the union at a future time.

That is why you cannot use such words as "you shall", because it is difficult to delineate.

It was difficult enough for Mr. Justice Norris to delineate after months of evidence, and it would be very wise not to do anything more than leave the trustees with a broad framework of direction in order to discover things which may not even have been discovered by Mr. Justice Norris.

Mr. Nielsen: I am sure the spirit of the legislation is not intended to suspend, during this clean-up operation, the only weapon which workmen have at their disposal to ensure their rights are maintained, namely the right to strike. The suggestion of the hon. member for Peace River is a very good one, and it would remove any doubt that the trustees have power to call a legal strike if the best interests of the union membership were served by that.

Mr. Lloyd: I am sorry to speak again, but under the provisions of this legislation, certainly if all the provisions of labour legislation have been provided by it, then I am quite certain if members of a union took a strike vote and went through the proper procedures there is nothing in this bill to deny reasonably minded trustees from going along with that.

Mr. Douglas: It seems to me the hon. member for Yukon and the hon. member for Peace River have a point which would be worth while for the government to look at, because undoubtedly this legislation will be gone over with a fine tooth comb with a view to challenging it in the courts. Paragraph (f), on which the minister is hanging his whole case is, the last paragraph in clause 3 and it says that in the management and control of a maritime union the trustees may "generally do all such things as the officers of the union may do."

Not being a lawyer it seems to me as a layman the interpretation might be that they can generally do all such things having to do with the management and control of a union, and that they have these wide powers only in so far as the internal management and control of a union are concerned, and not in the broad matter of negotiating with management, calling strikes and so on, and acting for employees under the Industrial Relations and Disputes Investigation Act. The government should look at this very carefully.

Mr. MacEachen: We are agreeable to stand subclause 1 and 2(a). We will come back to them again and attempt to cover the points raised and have a form of words which will satisfy the difficulties mentioned.

The Chairman: Is it agreed the clause will carry subject to standing subclause 1 and 2(a)?

[Mr. Lloyd.]

Some hon. Members: Agreed.

Clause 7 stands.

Clause 8 agreed to.

On clause 9—*Non-personal liability of trustees.*

Mr. Herridge: This clause states:

> The individual members of the trustees are exempt from personal liability for any act or thing done or omitted by the trustees in good faith in the exercise or purported exercise of a duty or power of the trustees under this act.

Does this mean that the board, as a board, can be sued?

Mr. MacEachen: The answer is yes.

Mr. Douglas: Someone back here has suggested that in clause 9 there be added after the word "trustees" the words "and delegates or those to whom they have delegated powers." Does the minister feel this should be inserted in order to make absolutely sure that those persons to whom the board delegates powers will have the same protection as the trustees themselves?

Mr. Nielsen: I would like to speak in opposition to that view, because while there is justification for providing protection to the trustees, without which it may be very doubtful you would get anybody to act or accept an appointment as a trustee, nevertheless the very fact that you withhold the same protection from a person delegated under the provisions of clause 8 will make that person much more careful in the exercise of the powers delegated to him. The way the clause now stands it provides a good deal of protection for the unions themselves and their membership, because the persons to whom powers are delegated will be subject to suit for malfeasance.

Mr. Douglas: I would assume this does not protect a person from suit for malfeasance. It says here "for any act or thing done or omitted ... in good faith." May I point out that if the hon. member for Yukon says it is going to be difficult to get trustees to act unless they have this protection, it will be equally difficult to get people to act as delegates if they have no protection, and you could completely tie up his trusteeship by filing suits against the persons appointed to act on its behalf.

Mr. Nielsen: I should have used the term nonfeasance, not malfeasance; and in addition may I say there is no impairment in getting people to act as delegates of the trustees. As I understand the clause, the purpose is to give the board power to delegate powers to maritime unions which do not require

much supervision by the trustees. If the trustees are prepared to say that a union agrees to accept delegation of a lot of powers which the constitution of the union provides, then surely you should not extend the protective powers under clause 9 to the particular officers of that union to whom those powers are delegated. It seems to me ordinarily they would be liable to suit for their actions, so why should you remove liability from them when the trustees decide to hand their powers back to them?

Mr. Barnett: I wish to deal with the matter that was immediately under discussion. Listening to the discussion it strikes me that there are apt to be in effect two categories of persons who will act as agents for or under the direction of the trustees. One is the group of persons to whom the hon. member for the Yukon has just been referring, people who have been acting as officers or agents of the various unions as they have existed in the past. On the other hand, in clause 5 of the bill it is provided that the trustees may, with the approval of the governor in council, employ such professional, administrative, clerical or other personnel as the trustees may deem necessary. It seems to me that clause 5 envisages that for a time at any rate the trustees are in effect going to have a civil service, and these people would in effect be acting as direct agents of the trustees in the discharge of their duties.

It does appear to me that there is a distinction to be drawn between such persons whom the trustees may appoint as professional advisers or administrators, and the people who at the present time and normally function as officers or agents of the union. I would be inclined to agree with the hon. member for Yukon, that these personnel should not be granted any particular exemption under this legislation from the liability that they ordinarily have. But it does appear to me that professional assistants or clerical assistants whom the trustees may engage, and who according to my understanding would be direct agents of the trustees in the carrying out of their duties, might be considered as rightfully having the same kind of exemption from liability as the trustees themselves, provided they acted in good faith. I would be interested to know whether there is any agreement that there is a distinction to be drawn there.

Mr. Greene: It was my understanding that the minister indicated to us earlier that it was the intent of the government that delegates be exempt under section 9 and, if so, I respectfully submit that should be made clear.

Mr. Nielsen: That is not what he said.

Mr. Favreau: Mr. Chairman, I can understand the concern of all hon. members who have spoken on this point with regard to delegates. I think we must return to the original and basic principle that, after all, these trustees whom the government will ask to perform this kind of public service, thus removing them from the field of their normal activities for a period of two, three, or more years, ought to be given at least the same protection as the directors of what otherwise would be a corporation, and which they would have if they were directors of a real corporation.

When you take the case of a corporation, those to whom the corporation delegates any of its powers and who are employed as agents or employees have a type of responsibility which is personal and different from that of those who are directors. I think the reason for that is that the intention of these delegations is to make the delegates the people who are closer to the actual performance of the acts.

The trustees will have both a directive and a supervisory capacity. Those will be their main functions. They will, of course, have the functions of direct administration to the extent that they choose to use them. But as I say, their delegates will come closer to the actual and physical performance of given acts than the trustees themselves, and I think they must be assimilated and placed in the same situation as a person who receives from a corporation or from the directors of a corporation, whose liability is limited, certain powers and accepts those powers.

I think one will find that in many of these cases the delegates will happen to be certain of the present officers or employees of the unions, who will continue to carry on, for purposes of the trustees, certain of their functions; and I do not believe it is unfair not to give them protection that they do not have at present. In other words, I think if we go back to the basic principle and to the only real reason why this was spelled out in the bill, the reason being that the trusteeship happens not to have a corporate form, then it follows that it is not unfair to leave employees or delegates in the same situation as they would be at present, should they receive from the unions themselves such delegations or such powers as will be given to them by the trustees.

Mr. Douglas: I do not want to labour the point, except to say that what the minister has just said is perfectly true with reference to persons elected or who, as officers of the union, carry out the duties of the board. It is

not true, however, of those who are appointed by the board to do a certain job. If the board of trustees sends someone to the east coast to manage the affairs of the union until such time as officers can be elected, and so on, it seems to me that person could be completely hamstrung if, every time he moved, he was put under personal suit for whatever action he was taking on instructions from the board. Once the elected officers have taken over, I quite agree they should have no more protection than they have now. I am thinking of the persons who are appointed in the first instance to carry on at the behest of the board in order to get the unions democratically organized.

Mr. Favreau: Well, whether these delegates be members of the union or not at present, as they will be executives I think that even in their case it would not be unfair not to give them more protection than if they were persons accepting by way of delegation the power or duty to perform something in the name of a corporation somewhere else. They would have a personal responsibility. These delegates will certainly not under this legislation have more responsibility than any ordinary agent who has accepted delegated powers. I do not believe it is really unfair.

Mr. Douglas: The average agent of the average corporation is not trying to clean up a hoodlum empire.

Mr. Greene: Mr. Chairman, I suggest that the officers of the crown are obviously confusing the word "delegate" with "employee, servant or agent". They are two different things in law. If a person is appointed as a delegate or nominee of a director of a company he enjoys the same exclusion from liability that the director did. An employee, servant or agent is a different thing. Possibly not now, but shortly, I think the legal agents of the crown should clarify that point, before this section goes through. They are two different things.

Clause agreed to.

On clause 10—*Obstructing trustees.*

Mr. Herridge: Clause 10 is quite an interesting one to me. It reads:

> Any person who obstructs or hinders the trustees or a person to whom any duty or power of the trustees has been delegated, in the carrying out of a duty or power of the trustees under this act is guilty of an offence punishable on summary conviction and is liable to a fine not exceeding ten thousand dollars or to imprisonment for a term not exceeding two years or to both such fine and imprisonment.

In my opinion there is no question that the interpretation of this clause can become largely a matter of opinion. For instance, in the first line it refers to any person who obstructs or hinders the trustees, and so on. Suppose in a particular union the members gathered together at a meeting and urged the trustees to call a strike, or discussed some matter and passed resolutions which were in opposition to certain proposals put forward by the trustees, or took any action to express a collective opinion as the result of the views of certain people being expressed; under those circumstances could the members of a union, or the persons who chaired the meeting or led the meeting, possibly be considered as obstructing or hindering the trustees? I would appreciate the minister's opinion on that.

Mr. MacEachen: It seems to me, Mr. Chairman, that in the circumstances to which the hon. member has referred the officers, or the trustees, or the delegates are obliged to behave within the constitutions of the various unions. It seems to me that any activity conducted by members that is within their own bylaws and constitutions cannot be regarded as obstruction of the trustees. That would be my view. It seems to me there are other situations to which this provision would apply; for example, removing or suspending officers. If the trustees attempted to do this and were prevented from so doing, this provision would then apply. This is my view.

Mr. Nielsen: Mr. Chairman, I would like to support what has been said by my brother union member, the hon. member for Kootenay West.

Mr. Herridge: Hear, hear.

Mr. Nielsen: It seems to me that the powers given under clause 10 are very wide indeed and they could be abused to the extent my hon. friend has suggested. For example, what about a wildcat strike? This clause would apply in that case, because surely a wildcat strike would be interpreted as hindering the trustees. However good the government's intentions might be, or however good the trustees' intentions might be, nevertheless the power is there and it could be abused to the extent that has been suggested. I think my hon. friend makes a very valid and a very good point.

Mr. MacEachen: The situation to which my hon. friend refers is already covered by the Industrial Relations and Disputes Investigation Act.

Clause agreed to.

On clause 11—*Property held for a union or the members thereof.*

Mr. Peters: Mr. Chairman, I am curious about subclause 3 of clause 11, which says:

> The trustees may appoint agents or attorneys to administer any property vested in the trustees

under subsection (1) or may convey such property to any other person to be held by such person for the benefit of the maritime union or members of a maritime union, as the case may be, for the objects and upon the conditions that are binding on the trustees in respect of that property.

There has been some suggestion that when the trusteeship is ended there may not be as many unions in that trusteeship as there were at the beginning. The word "person" as used in this clause is the legal interpretation of "person", which can mean a company, corporation or other union. This subclause would cause a great deal of difficulty. This has always been a problem between the international and the local; the local is always afraid of losing its hall, or whatever it may be, and its reverting to the person administering the trusteeship and then being turned over to the international. I think that subclause 3 is the place in which this type of protection should be provided. If it is provided, perhaps the minister could assure us on the point; and if it is not, I think we should consider it.

The Deputy Chairman: Shall clause 11 carry?

Some hon. Members: Carried.

Mr. Peters: I would like to know about this, Mr. Chairman, because we do not want five unions to go under the trusteeship with five complete organizations, and come out with one or two, or three, or perhaps four.

Mr. MacEachen: This provision, Mr. Chairman, is intended to apply particularly to welfare funds.

Clause agreed to.

On clause 12—*Delivery of records and property.*

Mr. Nielsen: Mr. Chairman, I have a very serious observation to make with regard to clause 12. The minister will notice that clause 12 (1) (a), (b) and (c) concerns the property of the union in the way of books, and so on, that must be handed over to the trustees. The important words to which I would draw the attention of the minister are "at the request in writing of the trustees". I go to subclause 3, where the absolute power is given to a judge of the exchequer court, or a judge of a superior or county court, who may, upon *ex parte* application by the trustees, issue a warrant authorizing the seizure of those records, papers and documents that are mentioned in subclause 1 (a), (b) and (c).

I presume it was the intention of the government that such power as is set forth in subclause 3 with regard to the issuing of a search warrant, in effect authorizing the seizure of such records and other property, should only be exercised after there has been a denial by the person or persons in whose custody these things are of the request in writing of the trustees. It seems to me the legislation is inconsistent on this point because it says in subclause 1 that the documents are required to be handed over after the trustees have made the request in writing, and in subclause 3 it is implicit that one does not have to have any regard whatsoever to a request in writing but can go straight to a judge and get a search warrant and effect a seizure.

My suggestion is that the government should consider making the compliance with subclause 1 a condition precedent to the exercise of the powers in subclause 3. In other words the trustees should only be able to go to a judge for a search warrant after the request in writing has been made, and there has been a failure to comply with the request. Then this provision should apply and they should go to a judge of the Exchequer Court of Canada, or a judge of a superior or county court.

Mr. Favreau: As far as I am concerned, Mr. Chairman, I fully agree with the clause, but it is the type of clause which on its face is always to a lawyer or to a fair minded citizen—

Mr. Baldwin: They are the same thing.

Mr. Favreau: —repugnant in appearance. I think we must look at the spirit of the clause to find the necessary justification for, and the importance of subclause 3 of clause 12. The committee will see that there are two methods by which the trustees may seek the possession of documents or property. Documents and records would be mainly concerned in this case. One method is by making a request in writing. In the case where the trustees feel that the documents will be dealt with in good faith, that there is no danger of their being disposed of within the period of 24 hours of the notice, then the power is given to the trustees themselves, without reference to the courts, to give notice. But we all understand, I think, irritating as it may be, that there will be cases where a genuine fear will exist in the minds of the trustees that a notice to produce documents will probably cause the disappearance of the documents. We have to face these things.

This is why in such a case the law does not allow the trustees to send somebody to seize the documents without notice; but if no notice is given the legislation says—and this provision is for the protection of whoever is concerned—the trustees must go to an exchequer court judge or to any of the other judges mentioned in the clause, who

will use his judicial discretion in the issuing of a warrant. For example, if a search warrant is asked for unilaterally, he will question the applicant and upon his responsibility as a judge will decide whether to issue a warrant.

In so far as other types of legislation are concerned, you will find that if orders of this type are necessary in the public interest exactly the same type of device is used, and in most cases, against the will of the party concerned. There is a provision of this type in the Combines Investigation Act under which the director of investigation and research may seek production of documents in cases where he fears that a notice may be the cause of acts contrary to the public interest. He may seek the power, then, to search without notice. These are the types of situation in which this power, distasteful though it is, is essential in the public interest. This is the only reason it has been written in here.

One should look at the distinction between the two types of situations. In the first case there is a request by the trustees themselves; or then they may go and obtain the right to search without notice when the judge is satisfied that there is a good reason to search without notice. If the judge is satisfied, he may issue the order.

Mr. Nielsen: If that is the intention, it should be spelled out in the legislation. The minister speaks of the same type of judicial discretion being exercised on an *ex parte* application for a search warrant as was exercised in connection with some of these offences which related to Hal Banks. If that is the case, then I suggest we might be in some real difficulty. If it is the intention of the government that a judge can take this action upon being shown that it is necessary in the public interest, then the legislation should say so. As we all know, an *ex parte* application means an application by one side only. It seems to me that sufficient protection is not granted to the individual's rights under this provision. Under a provision such as this an application could be made, without any notice to the parties concerned, a search warrant granted and the party could leave immediately to conduct a raid, as the hon. member for Timiskaming said.

I think the government should give consideration to amending the provision to this effect, that failure to comply with the request set forth in subclause 1, and then continue with the wording of the subclause as it is. Failing the acceptance by the government of that suggestion, perhaps the minister could consider inserting an amendment which would provide that a judge of the exchequer court would only exercise this extraordinary power if he were given good and sufficient reason for exercising it. The hon. member for Digby-Annapolis-Kings suggests that words "upon cause be shown" should be inserted.

Mr. Favreau: I agree completely with the hon. member that cause has to be shown. I believe it would cause some concern amongst the judiciary if we were to write that into this bill, that they are not to grant an order of this type without being shown cause, because that is automatically done. I suggest that it be taken for granted that, if it is found something has to be stated along procedural lines, that will be done in the drafting of the regulations. I would not suggest such a provision be written into the bill because this would be the first statute in which we would find this particular type of declaration. It cannot be automatic, otherwise there is no reason for reference to a judge.

Mr. Nielsen: I have great respect for the minister's knowledge in this area. However, this is an extraordinary piece of legislation and contains sweeping powers. I am sure the minister himself has, on occasion, made an *ex parte* application where no cause at all had to be shown in order to obtain an extraordinary remedy such as that provided by this subclause.

In so far as similar pieces of legislation are concerned, there are several that I can recall under which a judge has exercised his discretion upon an *ex parte* application only upon cause being shown as required by the legislation itself. The case can be made even stronger because of the nature of the legislation, and these sweeping powers which are given. We must be very careful that the rights of individuals are not abrogated by injudicious judicial decisions. I do not believe it would hurt the legislation at all or hurt the intention of the government if these words were inserted. I am sure they intended that judicial discretion should be carefully exercised. The minister himself has said that the judge is going to be shown cause before the application is granted, and if it is not going to hurt the legislation then I think those words should be inserted.

Mr. Favreau: I do not want to labour the point. It is true that would not hurt the legislation, but there are so many words we could add in many statutes which would not hurt the legislation but would also, I say respectfully, not add to it. Even if we were to add the words, "upon due cause being shown", this would not prevent any judge from injudiciously exercising his own discretion.

Mr. Baldwin: As I understand the minister, he is saying that subclause 3 would not come into effect except under circumstances where the trustee felt that clause 1 would not be complied with. Am I correct in my assumption?

Mr. Favreau: I said that is the purpose.

Mr. Baldwin: Could you not say simply, instead of using general words, that upon cause being shown a judge may, upon referring to clause 1, find the facts—

Mr. Favreau: I am afraid we are saying the same thing again.

Mr. Peters: I do not want to get into any legal discussion because I do not know anything about it. It seems to me that we should have something written into the legislation to forestall the movement of some of these documents outside the country. If this has already taken place, there should be a provision to force the return of these documents. Is there a legal stipulation we can make that will give the trustees some authority to ask for the return of documents?

I am thinking of a situation in which the S.I.U. decided to return to its international some of the documents that will be needed for the operation of this trusteeship. If all the documents and authorities vested in the union are returned to the international, there will be very little for the trustees to administer. Is there some legal stipulation that could forestall the removal of these documents to the United States or force the return of them?

Clause agreed to.

On clause 13—*Voidable transactions.*

Mr. Herridge: This clause says that:

(a) any payment of money belonging to, or deposited or held to the credit of or for the benefit of, a maritime union, members of a maritime union, or the building corporation, where inadequate valuable consideration has been given therefor;

—is voidable if done, made or entered into on or after the 6th day of July, 1963. I should like to ask the minister two questions arising out of this wording. Will the trustees collect union dues from the members and, if so, would the trustees have the right to expel members for non-payment of dues?

Mr. MacEachen: The answer to both questions is yes.

Mr. Nielsen: May I ask the minister, how can "valuable consideration" be inadequate?

Mr. Barnett: It has already been pointed out that clause 13 has to do with preventing the alienation of some of the assets of a union. It seems to me there may be some puzzlement, at least to me, why the date July 6, 1963, has been set forth in the legislation as the date after which these transactions are voidable. I feel that discussion of this bill would not be really complete without some explanation in the record at this point.

Mr. MacEachen: Even though this date happens to be my own birthday, the real reason is that it was the date upon which the report was issued.

Mr. Alkenbrack: Before we pass clause 13 I should like to have some explanation of paragraph (d). There is a question in my mind as to why that paragraph has been inserted. It might not have very much merit if some of the collective agreements which these unions have made are not doing any harm to the public or national interest. It seems to me that not every collective agreement and supplemental collective agreement is disadvantageous to the nation. Therefore, could the minister explain to me the general principle of this paragraph?

Mr. MacEachen: There have been cases, especially with the seafarers' international union, where supplemental agreements have been entered into following the main agreement, and this paragraph gives the opportunity to the trustees to take a look at these supplemental agreements.

Mr. MacInnis: Mr. Chairman, from what I have heard this evening it appears that, although these unions have agreed to come under this trusteeship, the legislation seems to be designed to deal with one union, which I firmly believe does require this attention. Nevertheless if there are to be trustees dealing with five unions, then I think this legislation should apply to each and every one of them. After all, I have reason to believe that although our problem is with Mr. Banks and his particular union, many things are going on in other unions which could take a good looking at.

Mr. MacEachen: The answer to that, of course, is that the provisions of this legislation apply to all of the unions listed in the schedules. I used the S.I.U. for purposes of illustration only in this regard.

Clause agreed to.

On clause 14—*Recovering proceeds of property.*

[*Translation*]

Mr. Favreau: Mr. Chairman, the words appearing on line 31, page 8 of the French version of Bill No. C-102 are exactly the opposite of the English wording. It is not because the text is in English that it is necessarily consistent with the government's intention, but it happens that in this bill, it

is the English version which corresponds with the government's and, I think, the house's intentions.

The French version reads as follows:

Lorsqu'une personne a acquis des biens d'un syndicat maritime ou de la *Building Corporation* par suite d'une opération déclarée nulle en vertu de l'article 13 et a vendu ou aliéné les biens ou une partie de ceux-ci, le montant d'argent ou autre produit qui en découle, qu'il soit ou non de nouveau aliéné, ne doit pas être considérée—

It is obvious that it should read "doit être considéré" as part of the union's property. I would take this opportunity to substitute the word "soit" by the words "ait été".

Consequently, I propose that the 31st line on page 8 of the French version of Bill No. C-102 be deleted and replaced by the following:

ait été ou non de nouveau aliéné, doit être considéré—

In my opinion, if that correction is not made, the two versions will be at variance.

[*Text*]

The Deputy Chairman: The committee has heard the terms of the amendment to bring the French text in line with the English text. Shall the amendment carry?

Amendment agreed to.

The Deputy Chairman: Shall the clause as amended carry?

Some hon. Members: Carried.

Clause as amended agreed to.

Clause 15 agreed to.

On clause 16—*Annual report to parliament.*

Mr. MacRae: I should like to ask the Minister of Labour a question in connection with the expression "within three months after the termination of each year". The date July 6 is used in several places in this bill to indicate the date of the implementation of certain parts of the bill. Under clause 23 the bill will come into force on a date to be fixed by proclamation. That is another date. Then third, this is a government agency, and therefore I assume might operate within the fiscal year, which would terminate on March 31—or would it be within the calendar year ending on December 31? My question is prompted by the desire to know when parliament and the people of this country will receive the first report of the trustees.

Mr. MacEachen: I understand that the year referred to here is intended to be the calendar year.

Mr. MacRae: Which will be December 31.

Mr. MacEachen: That is in accordance with the Interpretation Act.

[Mr. Favreau.]

Mr. Peters: Was any consideration given to providing for interim reports on a basis of four months or some such period? That would give the Minister of Labour an opportunity to keep his finger on the situation and to report on it to parliament, which will be watching these developments very closely. This makes provision for a report of the standard type, a general report which will contain the annual financial statement of the building corporation fund and so on. I believe it could very well be of advantage both to the minister and hon. members if reports were forthcoming more frequently.

Mr. MacEachen: I think it would be possible for the minister to ask the trustees for an interim report at any time, if that seemed desirable, and he could then make a statement to the house on the contents. I would be prepared to do that from time to time, if it seemed necessary.

Clause agreed to.

Clause 17 agreed to.

On clause 18—*Regulations.*

Mr. Nielsen: Before this clause carries I should like in the strongest terms to convey my objection to the inclusion of the powers contained in clause 18 in legislation such as this, which already contains such wide powers.

This clause provides that:

The governor in council may make such orders and regulations as he deems necessary for carrying out the purposes and provisions of this Act.

In effect, the act itself could be completely bypassed by regulations and orders in council made behind closed doors. I can remember in what I might call the fat years, when we were on the other side of the house, the strong objections which were made by the Secretary of State, then sitting on this side, to provisions such as this when they were embodied in legislation presented during that period, amounting to nearly six years. He objected strenuously to granting the powers to make regulations. Every time such a power was provided for in the legislation it was the Secretary of State we heard from most. I recall, in particular, the passage of the Customs Tariff legislation, when he spent a great deal of time telling us that it was an abuse of power to do these things by regulation. I feel just as strongly about this clause 18 as he did on that occasion, and it seems strange to me that, in addition to the sweeping powers already vested in these trustees, the government should still think it necessary to have the power to make orders in council and regulations which, as we all know, do not require the scrutiny and approval of this parliament. It seems to me that the interests

of both labour and management would best be served by the deletion of this iniquitous clause.

Mr. Herridge: I wish to support what the hon. member for Yukon has said, particularly in view of the special nature of this bill and the differences of opinion which could arise with respect to a number of these clauses. The debate this evening has shown that there is a conflict of opinion as to the purpose and the effect of certain clauses, and I suggest that consideration be given to striking out this provision or amending it so that any regulations which may be made are strictly within the interpretation of the act, as we have heard it explained to us this evening by the minister speaking on the various clauses.

Mr. Fleming (Okanagan-Revelstoke): If we pass this particular clause we do not need the rest of the bill. This paragraph gives the government the power to do anything it wishes. It reads:

> The governor in council may make such orders and regulations as he deems necessary for carrying out the purposes and provisions of this Act.

There is no need for the bill. All that is needed is that paragraph. We do not even know what it refers to. It does not say what the purposes and provisions are. It simply says, in effect, that the governor in council may do whatever he wishes. It is a bad provision and it should be eliminated.

Mr. Favreau: The government would agree to striking out the words "purposes and", so that it would read: "—for carrying out the provisions of this Act". That is totally objective.

Mr. Nielsen: I think that would accomplish what I have in mind.

Mr. Herridge: Did the minister say he would consider amending that clause?

Mr. Pickersgill: Yes, by leaving out the words "purposes and".

Mr. Herridge: I am glad to hear that. We appreciate the response to our plea.

Mr. Pickersgill: I wonder if it could be understood that the clause is carried as amended and that the amendment can be written out at the table.

Some hon. Members: Agreed.

The Deputy Chairman: Does the committee agree that the words "purposes and" in clause 8 be deleted?

Some hon. Members: Agreed.

Amendment agreed to.

Clause, as amended, agreed to.

Clauses 19 to 22 inclusive agreed to.

On clause 23—*Commencement.*

Mr. Clancy: I would suggest an amendment to this clause and it is that this act be made subject to review by the House of Commons on the first supply motion annually.

Mr. Thompson: I would ask the minister why the act will not come into force on the day it receives royal assent instead of coming into force only on the date fixed by proclamation.

Mr. MacEachen: I think there are two main reasons for the inclusion of this particular provision. We want the act to be proclaimed when the trustees have been appointed and when the property is vested in the trusteeship, so that there may be a certain time between all these phases, allowing the trustees to get to work at a particular date.

Clause agreed to.

On clause 24—*Expiry.*

Mr. MacEachen: Mr. Chairman, I have listened with a great deal of interest to the views that have been expressed with respect to the expiry date of the bill, and in order to make it abundantly clear that there is no desire on the part of the government to ask for the continuation of this particular trusteeship beyond the necessary time required, we thought it would be useful to include a five year provision in order to discourage persons from waiting out a period of trusteeship in order to return to the control of these unions. That is why this period was suggested.

However, because of the views that have been expressed, it is now agreeable to the government to reduce this to a three year period, and to provide that the trusteeship may continue beyond that period by proclamation, with a provision that members of the house may raise this matter and have the proclamation revoked at their own vote in the house. If they wish to end it, it will end.

Mr. Favreau: I move:

> That Bill C-102 be amended by striking out clause 24 thereof and substituting therefor the following:
>
> 24(1). This act expires on the 31st day of December 1966 unless before that date this act is extended to a later date which may be fixed by proclamation of the governor in council.
>
> (2). A proclamation under subsection (1) shall be laid before parliament not later than 15 days after its issue, or if parliament is not then sitting, within the first 15 days next thereafter that parliament is sitting.
>
> (3). Where a proclamation has been laid before parliament pursuant to subsection (2), a notice of motion in either house signed by 10 members thereof and made in accordance with the rules of that house within 10 days of the date the proclamation was made before parliament, praying that

the proclamation be revoked, shall be debated in that house at the first convenient opportunity within the four sitting days next after the day the motion in that house was made.

(4). If both houses of parliament resolve that the proclamation be revoked, it shall cease to have effect and this act shall cease to be in force but without prejudice to the previous operation of this act or anything duly done or suffered thereunder or any offence committed or any punishment incurred.

The last part is essential to retain the validity of whatever would have been done before the expiry of the act.

The Deputy Chairman: Shall the amendment carry?

Mr. Nielsen: I am very happy to see that the minister proposes to amend clause 24 by reducing the five year period. I was hoping he would reduce it to 1964, but having heard the amendment I think that the device of proclamation could be used at the end of one year just as easily as it could at the end of three or two years. I think the period is still too long and I suggest it be further reduced to December 31, 1964.

As the hon. member for Digby-Annapolis-Kings has just suggested to me, the act can always be extended by a separate act of parliament, and this amendment is a very complicated way of accomplishing the desired objective of making the extension subject to the review of the House of Commons. All the minister has to do is introduce another bill saying this one will be extended for whatever period the government feels necessary.

Amendment agreed to.

Clause as amended agreed to.

Schedules A and B agreed to.

The Deputy Chairman: The committee will now revert to clause 7 (1) and (2)(a).

Mr. Favreau: I move:

That Bill C-102 an act to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees be amended:

(a) by striking out paragraph (a) of subsection (2) in clause 7 of the bill and by substituting therefor the following:

"(a) promote the establishment of advisory councils of seamen and their representatives to advise and aid the trustees under this act and promote the establishment of joint advisory councils of seamen and ship owners and their representatives for the purpose of developing good relations between employees and employers, safety in the industry and other labour relations except those ordinarily associated with collective bargaining;"

I might say this covers exactly the point which has been raised to the effect that these joint advisory boards should remain what they are presently in the trades, and not deal with the collective bargaining, and:

[Mr. Favreau.]

(b) by adding immediately after subsection (5) on page 4 of the bill the following new subsection:

6. Nothing in this act shall be construed to restrict any right of a maritime union or the members thereof to bargain collectively and to implement the provisions of the Industrial Relations and Disputes Investigation Act in any labour dispute.

The Deputy Chairman: Shall the amendment carry?

Mr. Knowles: It seems to me the minister has met the two points that were raised over here, but as I followed his reading of part (a) of the amendment it seemed to me there were a few words left out from what I thought was going to be given. I wonder if I could see it.

Mr. Favreau: I am sorry but we do not have a copy.

Mr. Knowles: I wonder whether the minister did not intend this part to read: "Promote the establishment of advisory councils of seamen and their representatives to advise and aid the trustees in carrying out the duties of the trustees under this act". The minister has left out words that were in the original version, "in carrying out the duties of the trustees." I wonder whether there has not been a stenographic slip somewhere.

Mr. MacInnis: You had better give it to the hon. member for Winnipeg North Centre so he can redraft it for you.

Some hon. Members: Oh, oh.

Mr. Favreau: I would agree that this would be an excellent suggestion. Because of the typographical error in typing the text which was discussed previously, the hon. member is absolutely right when he says that the words "in carrying out the duties of the trustees" were omitted.

Mr. Churchill: Is it the same as line 27.

Mr. Knowles: Perhaps the minister would not mind calling it a stenographic error rather than a typographical error. I speak as a member of the international typographical union.

Mr. Favreau: I am sorry. We will correct *Hansard*. In conformity with what has been said by the hon. member, the words "in carrying out the duties of the trustees" will be added after the words "promote the establishment of advisory councils of seamen and their representatives to advise and aid the trustees."

Mr. Nielsen: Will the minister allow me to express my appreciation for the consideration which the Minister of Labour and the Minister of Citizenship and Immigration have accorded to the suggestions made by myself, the hon. member for Peace River and also the

hon. member for Timiskaming whose idea it originally was for the first amendment. We appreciate the co-operation.

The Deputy Chairman: Shall the clause as amended carry?

Amendments agreed to.

Clause as amended agreed to.

The Deputy Chairman: Shall the preamble carry?

Mr. Knowles: Mr. Chairman, the hon. member for Burnaby-Coquitlam raised a point about the preamble. I wondered whether it has been considered.

Mr. MacEachen: Mr. Chairman, maybe we would not need to draft an amendment to meet the hon. member's point. I think it is a good point. The change would bring the preamble in line with the findings of the Norris commission. I think we could have the preamble read, "within a certain maritime union".

Mr. Knowles: Agreed.

Amendment agreed to.

The Deputy Chairman: Shall the preamble carry?

Mr. Knowles: As amended.

Mr. Pickersgill: As amended.

The Deputy Chairman: Shall the preamble as amended carry?

Preamble as amended agreed to.

Title agreed to.

Bill reported.

Mr. Nowlan: Let the press gallery write something now about parliament at its best. It would be a welcome change.

The Acting Speaker (Mr. Batten): When shall the said bill be read a third time? By leave, now?

Some hon. Members: Agreed.

Mr. Churchill: Next sitting.

Mr. MacEachen moved the third reading of the bill.

The Acting Speaker (Mr. Batten): Is it the pleasure of the house to adopt the said motion?

Mr. Peters: On division.

Mr. Churchill: Mr. Speaker, it is quite contrary to the rules for an amended bill to pass third reading without unanimous consent. I did not give unanimous consent. The house has done very good work tonight. This bill is not coming into force immediately. It still has to go through the other place and I think it is only sensible and reasonable that third reading should be held on Monday.

Mr. Pickersgill: Mr. Speaker, as the hon. member was engaged in conversation I think he did not hear the Chair ask for unanimous consent, although it was repeated twice. However, in view of the excellent co-operation there has been we would not wish to take any advantage of the situation. If there is any way in which it could be considered that this which has happened did not happen, I would hope that would be done, and that the house would unanimously agree that the bill did not receive third reading. The hon. gentleman, who has been most co-operative, as all hon. members have, obviously did not hear the Chair when the request for unanimous consent was made, and I hope there will be unanimous consent to forget that the matter was raised.

Mr. Knowles: After that the hon. member for Winnipeg South Centre might change his mind and give unanimous consent.

Mr. Churchill: I have no intention in the world of holding up the bill. It is not that there would be any debate on third reading on Monday on our part. It is just the method of procedure. I was paying very close attention and I think the Speaker did not hear me when I disagreed. But if it is the will of the house that the bill be given third reading now by unanimous consent I raise no further objection.

Bill read the third time and passed.

Mr. Pickersgill: Mr. Speaker, I want to express to the whole house, but particularly to the hon. member for Winnipeg South Centre, my appreciation of the really exceptional co-operation there has been throughout the whole day in dealing with a very controversial and a very difficult measure which I think we all feel, whatever way we may have voted, has involved a very distasteful duty we have had to discharge in this parliament.

Mr. Douglas: I hope it will be recorded that the legislation was passed by the house in spite of frequent obstruction by the Secretary of State.

Mr. Pickersgill: For which I apologize.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, now that we have clearly demonstrated to all concerned that parliament is a very excellent institution in the conduct of democracy, may we have from the Secretary of State the order of

business for Monday? I take it that unless there is some unusual emergency, this will be a supply motion.

Mr. Pickersgill: Mr. Speaker, the hon. member has anticipated completely what I was going to say. Unless there should be some situation, which I hope will not arise, which would make it necessary for the government to ask the house to do something else, it is the intention of the Minister of Finance to move to go into supply on Monday. I will try on Monday or Tuesday, after consultation with hon. gentlemen opposite, to forecast the business for the rest of the week.

Mr. Douglas: Mr. Speaker, could I ask the minister when it is his intention to deal with the report of the committee on privileges and elections, which matter has now been hanging fire for quite a while.

Mr. Pickersgill: I am very glad the hon. gentleman asked that question. I had hoped that my hon. friend from Hull (Mr. Caron) might be able to move concurrence in the report on Monday. I believe there was, however, an understanding that this would not be done until the proceedings of the committee were available in both official languages.

Mr. Nielsen: That is right.

Mr. Pickersgill: I am told there is some difficulty in this connection. Although I believe the translators are working all night, I am not sure that this report will be available for Monday. If it is available, it would be the intention to have it dealt with on Monday. If it is not available until Tuesday, it would be dealt with on Tuesday. The government is very anxious to have this matter resolved as early as possible, as I think the whole house is. If it were possible to accept a version in only one language, or in one language without its being printed in the other, we might be able to abbreviate the situation. I would like to say how much I regret that it is not available right now, but I am afraid these are circumstances that are beyond anyone's control.

It being twenty five minutes after eleven o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Monday, October 14, 1963

The house met at 2.30 p.m.

LABOUR CONDITIONS

ANNOUNCEMENT OF ADDITIONAL ASSISTANCE TO AREAS OF HIGH UNEMPLOYMENT

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, in June of this year I outlined a nine point employment and manpower development program. Under this program provision was made for special measures of federal assistance to designated development areas. The 35 designated development areas under this program were selected on the basis of being areas characterized by continuing high levels of unemployment and slow rates of employment growth.

In addition to qualifying for tax concessions to manufacturing and processing enterprises locating in such areas, there are additional measures designed particularly to stimulate winter employment in these designated areas. These measures include the bringing forward of federal government construction projects for this winter and higher payroll incentive payments under the municipal winter works incentive program.

The aim of the special tax incentive measures and the work of the area development agency of the Department of Industry which apply to the 35 designated development areas is primarily to stimulate year round employment in areas of slow economic growth and chronic high levels of unemployment. The additional measures that were introduced to reduce the level of unemployment in these areas during the coming winter months include a supplementary federal winter construction program and the provision for an additional 10 per cent, or a total of 60 per cent, of payroll costs of municipal winter works.

The purpose of the supplementary government construction program and the higher percentage for municipal works is to help alleviate the problem of high winter unemployment. The designation of areas for purposes of the area development program was not primarily concerned with high winter unemployment, but rather with areas of long term unemployment and slow growth.

As one means of extending the impact of the supplementary federal winter construction program, areas with heavy winter unemployment have been selected to supplement the already designated development areas. In addition, municipalities in these areas of high winter unemployment will receive 60 per cent of payroll costs under the municipal winter works incentive program, as in the case of the designated development areas. To qualify as an area of high winter unemployment, the average ratio of national employment service registrations to estimated paid workers must have been in excess of 25 per cent in the three winter months January, February and March during the years 1961, 1962 and 1963. In all there are 45 such national employment service areas which qualify as areas of high winter unemployment.

With the consent of the house, Mr. Speaker, I should like to have a table of those areas printed in *Hansard* as part of my statement.

Mr. Speaker: Is the house agreed?

Some hon. Members: Agreed.

[*Editor's note: The table referred to above is as follows:*]

Newfoundland: Grand Falls, St. John's, *Corner Brook.

Nova Scotia: *Inverness, *Springhill, Yarmouth, *Amherst, Bridgewater, *New Glasgow.

Prince Edward Island: Summerside, Charlottetown.

New Brunswick: Bathurst, *Campbellton, Newcastle, *Woodstock, Edmundston, Moncton.

Quebec: Gaspe, New Richmond, Chandler, *Causapscal, *Matane, Maniwaki, Rimouski, *Mont Laurier, *La Malbaie, Forestville, Sept Iles, Riviere du Loup, Baie Comeau, Thetford Mines, Megantic, St. Georges, Chicoutimi, *Dolbeau, *Jonquiere, *Port Alfred, Roberval, Alma.

Ontario: Sturgeon Falls, Bracebridge.

Manitoba: Dauphin.

British Columbia: Kelowna, Penticton, Vernon.

Fourteen of these 45 areas (those marked *) are also included among the designated development areas.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, perhaps I could say a few words in place of the ex-minister of labour. We are very gratified that at long last there is some precise definition in connection with the assistance programs that were established as

an aid not only for winter employment in this country but also for those areas that are underdeveloped.

In so far as the increase in the percentage of labour costs from 50 per cent to 60 per cent is concerned, this is a move in the right direction. Naturally I should like to point out that if we are going to keep the participation of the provinces and municipalities up to a level where they have a real interest in this proposition, a warning should be issued that this percentage must not go too high. The success of these programs depends on consultations with the municipalities and provinces to make sure that their legitimate interests under the constitution are protected.

As I say, municipal assistance programs in the winter months was a good idea. I am glad to see that this government is continuing this aid. In so far as the newly developed areas are concerned, this is a subject which I feel will have to be examined with great care to make certain that the criteria we should apply at all times, namely participation in the discussions and planning at all levels of government, are maintained.

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, naturally the house is happy to hear the statement of the Minister of Labour (Mr. MacEachen) with regard to the regulations and the benefits granted to areas known as designated areas. There is one point, however, I should like to draw to the house's attention. It is that in the selection of designated areas, the criteria taken into account were not, in my opinion, the most appropriate in the circumstances.

It seems that the selection was restricted to those areas where unemployment has been prevailing in the last eight years. I feel, Mr. Speaker, that those are not necessarily the areas in greatest need, because it is quite possible that districts which have only known unemployment in the last three or four years find themselves in a more difficult situation than others where it has existed for eight years.

Mr. Speaker, there is another factor that is noteworthy. In fact, there does not seem to have been any consultation between the various governments concerned, that is the federal authorities, the provinces and the municipal councils.

Since the government seems determined to continue examination of the situation in other districts so as to give them the benefits provided in the legislation, as soon as they meet established criteria, I strongly suggest that the minister and the government should take that step in co-operation with the provinces and municipalities concerned.

Personally, I know that several towns in the Saguenay region have been recognized while others have not been. Granted, the government cannot recognize every city and area in Canada, but I hope just the same that it will give an answer to those which have asked to be designated as distressed areas so that municipal authorities may find out directly from the minister exactly why their municipalities cannot be recognized.

Mr. Speaker, before closing my remarks, I should like to tell the minister how much we appreciate the assistance given to those regions which will benefit thereby. I am glad for their sake, but I do hope that the government will find, as soon as possible, other means than the one just described to deal with unemployment, because even if the step the government intends to take is designed to help municipalities undertake a greater amount of winter work projects, it will bring about debt increases and impose a heavier burden on municipalities which, for the most part, already have to carry a heavy load and cannot afford to go more deeply into debt.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the policy announced by the Minister of Labour will be of some value to those districts which have been selected as designated development areas. However, I point out that there are many areas in Canada which have not been so designated. I think experience will show that we will have to reduce the criteria which the department has set up. For one thing, the levels of unemployment required are much too high. Second, the data which have been collected have been based on summer employment, which is not necessarily related to what the winter unemployment situation will be. Therefore, while this will be of some help to the districts fortunately designated, it is not going to be of much assistance to many areas which will experience severe unemployment this winter.

I would have hoped that the government would consider—and I still hope they will consider—first the possibility of applying the 60 per cent generally to municipalities under the winter works incentive program; and second, that they would consider restoring the reduction in the period during which the winter works incentive program is applicable. When a few months ago the Minister of Labour, without consulting the provinces or the municipalities, reduced this period, I think he very considerably reduced the benefit of this program and its efficacy in dealing with unemployment. I think the

government would do well to examine both the question of raising the percentage for all municipalities and second, the question of the need for restoring the two months, one at the beginning and one at the end, which were taken off the operative period a few months ago.

[*Translation*]

Mr. Speaker: With the same reservation I outlined the other day, the hon. member for Villeneuve (Mr. Caouette) has the floor.

Mr. Real Caouette (Villeneuve): Mr. Speaker, we are happy to see that the government has decided to increase by 10 per cent its share of payroll costs that municipalities have to bear under the winter works program, in order to check unemployment in Canada, especially in underdeveloped areas.

However, let us not fool ourselves, that will certainly not solve all the problems because municipalities, even if they have to assume only 10 per cent of the cost, have a very hard time trying to meet their obligations everywhere in Canada. The employment problem is relatively easy to solve when municipalities have the money or credit needed to pay the workers.

But they must face another problem, the problem of mechanization, of automation and of the purchase of materials for the building of streets and sidewalks in those municipalities.

Now, the minister is aware that these municipalities have difficulties in obtaining the necessary funds. This measure will help them to some extent, but will not settle the problem, I have no doubt about that. Nevertheless, this measure means that the federal government is willing to pay 60 per cent of labour costs in all those municipalities. It is better than nothing, but not much more, and we believe that a better legislation could be brought forward that would stem unemployment once and for all in our country and in our economically weak areas.

[*Later:*]

[*Text*]

On the orders of the day:

Hon. J. A. MacLean (Queens): I should like to ask a question of the Minister of Labour based on the statement he made during motions. Is the minister giving consideration to amending or revising the criteria under which designated areas are selected so that several whole provinces would not be excluded from any benefits which may flow from having these areas selected, especially when some of those provinces would have no designated areas are the ones which traditionally have not shared in the economic growth of Canada?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the additional areas that were designated for the purpose of special assistance under winter works, I think include the province of my hon. friend. With respect to the areas previously designated, all I can say is that an effort was made to use the best possible criteria. But as is stated in the statement issued at that time, these designations are subject to annual review, and it will be our purpose in the period ahead to attempt to refine these criteria so that every area which really needs to be designated would be included.

Mr. MacLean (Queens): May I thank my hon. friend for his reply, and ask him whether there are any provinces still remaining which have no designated areas within their borders.

Mr. MacEachen: Actually I did not look at these criteria with a view to including provinces; the areas were looked at with respect to their employment and unemployment record, but I will attempt to examine all the areas included under both programs so as to determine whether any province is left out. It seems to me that if a province is excluded it is an indication that there is some feeling that economic progress has been taking place, relatively, in that province.

HOUSE OF COMMONS

RETIREMENT OF VETERAN MEMBER OF SECURITY STAFF

Mr. Harold E. Winch (Vancouver East): I rise, Mr. Speaker, on a question of privilege. I admit at once that in doing so I may not be strictly within the rules of order, but I imagine there are many hon. members who will accept what I have to say as a question of privilege.

I believe our security police in the House of Commons are famous throughout the world because they carry out their job of protection without violence, batons or guns. Today James Kealey is retiring from the security staff after having served for 28 years. When he first came to the House of Commons the security staff numbered only 16; now they are more than 70. I believe that we in this House of Commons should honour our security staff and in particular, today, one by the name of Kealey. That is why I am asking, on a question of privilege, that you, Mr. Speaker, will convey to the security staff, our thanks for their services and their courtesy, and that especially you will convey to Mr. Kealey, as one of the original staff, our thanks for the courtesy and understanding with which he

has handled the many thousands of people who have visited this building and say to him that in so doing he has conveyed an admirable public relations picture of this House of Commons.

I should like to pay tribute to Mr. Kealey on this day when he is leaving the security staff and, in so doing, convey my thanks to the entire security staff of the House of Commons.

Some hon. Members: Hear, hear.

QUESTIONS

Mr. Pickersgill: The following questions are being answered today: 815, 1,001, 1,004 to 1,010, 1,012 to 1,021, 1,066 1,126, 1,167, 1,175, 1,203, 1,218, 1,223, 1,224, 1,238, 1,245, 1,247, 1,253, 1,255, 1,259, 1,263, 1,265, 1,266, 1,267, 1,270, 1,273, 1,279, 1,281, 1,282, 1,285.

If question No. 1,156 could be made an order for return, the return would be tabled forthwith. If Your Honour would be good enough to call starred questions 1,181, 1,184, 1,227, 1,250 and 1,275, I would ask that the remaining questions be allowed to stand.

(Questions answered orally are indicated by an asterisk.)

STAMP SYSTEM FOR FOOD DISTRIBUTION

Question No. 815—**Mr. Mather:**

Is the government giving consideration to the inauguration of a food stamp program whereby low income or underprivileged persons may be provided with higher nutritional standards and the distribution of foodstuffs improved?

Answer: The government has had under consideration for some time the possibility of establishing a food stamp program. No satisfactory plan has yet been developed which would permit the implementation of such a scheme.

GLASSCO REPORT ON PURCHASING AND PURCHASING AGENTS

Question No. 1,001—**Mr. Fisher:**

1. Has the attention of the Secretary of State been drawn to paragraph 2, page 305, volume 2 of the Glassco commission report and, if so (a) what action is he contemplating to correct the tendering procedure and (b) are the purchasing agents with inadequate purchasing experience, as reported in paragraph 3, page 305, the cause of the ill effects of the tendering procedure as reported in paragraph 2?

2. In December, 1961 (a) how many buyers were in the purchasing division with grades of purchasing agent 3 or higher (b) how many of those in each grade had over three years of purchasing experience and (c) were there any of those with purchasing agent 3 or higher with under three years experience and, if so, with what grades and with how many years of purchasing experience each?

3. Of the purchasing division staff, as the result of a civil service competition, how many were promoted during the years 1960 and 1961 from a division of the department concerned with other responsibilities to a purchasing agent's post in the purchasing division with rank (a) purchasing agent 5 and higher (b) purchasing agent 4 and lower and (c) to what positions, at what salaries, and on what dates (d) from what positions and (e) what were the competition numbers?

Mr. Drury: 1. Yes. On August 21, order in council P.C. 1963-1254 transferred to the Department of Defence Production, under the Public Service Rearrangement and Transfer of Duties Act, branches of the Department of Public Printing and Stationery. A comprehensive review of the tendering procedure is being made by D.D.P. to ensure that it complies with the present tendering system of that department.

2. (a) six; (b) five; (c) yes, a grade 6 purchasing agent with one year.

(3) (a) one; (b) none; (c) to the position chief purchasing agent (purchasing agent grade 6) at $8,960, effective April 1, 1961; (d) secretary, public printing and stationery; (e) competition No. 60-P-ID-133.

CIVIL SERVICE COMPETITION 61-P-1D-38

Question No. 1,004—**Mr. Fisher:**

1. Was responsibility for the mail room and messenger service a listed duty on competition 61-P-1D-38?

2. Was this a responsibility of the former departmental secretary and, if so (a) what other staff of over three was directed by the appointee (b) what does this staff do (c) specifically what duties involved years of purchasing or procurement or related work at the planning and co-ordinating level and (d) specifically what duties produced the ability to direct and train a purchasing staff?

Mr. Pickersgill: 1. Yes.

2. Yes. (a) None; (b) N/A; (c) N/A; (d) N/A.

PURCHASING PROCEDURE, PUBLIC PRINTING AND STATIONERY

Question No. 1,005—**Mr. Fisher:**

1. In rough estimate, how many tenders were issued from the office of the secretary of the Department of Public Printing and Stationery during the years (a) 1957-1960 (b) 1960-1963?

2. As a result of these tenders (a) how many purchase orders were issued (b) of what total value and (c) for what goods or services?

3. Has the appointee ever been employed as a purchasing agent in a government purchasing office and, if not, in what other employment in the government service did he obtain, specifically and in detail (a) a number of years experience in purchasing or procurement or related work, several years of which have been at the planning and co-ordinating level and (b) a high degree of administrative ability and ability to direct and train a (purchasing) staff?

4. Was the successful candidate found not fully to meet the qualifications and, if so (a) which of the qualifications listed did he meet (b) was he appointed at a lower level according to the competition and, if so (i) at what grade and (ii) at what salary?

5. Was the successful candidate found to meet fully all the qualifications and, if so (a) to what grade and (b) at what salary was he appointed?

6. Has the civil service commission replied, verbally or in print, to any inquirer asking whether this successful applicant has had any purchasing experience before this appointment and, if so, when and in what printed record?

Mr. Pickersgill: 1. (a) and (b); 2. (a), (b) and (c). No tenders are issued from the office of the secretary of the Department of Public Printing and Stationery.

3. The appointee as a result of competition 60-P-1D-133 did not indicate in his application form that he had been previously employed as a purchasing agent, as such, in a government purchasing office.

(a) Three years as departmental secretary, Department of Public Printing and Stationery, 5 years employed in the sales and distribution branch of public printing and stationery, and 7 years as reference and research librarian, Department of Labour.

(b) Through his work experience listed in (a) above.

4. No. (a) all; (b) no. (i) and (ii) not applicable.

5. Yes. (a) Purchasing agent 6; (b) $8,120-$9,800.

6. A letter was received from one of the applicants in competition 60-P-1D-133 and the secretary of the commission replied on February 3, 1961 to the effect that if he wished to appeal the results of the competition, his statement must be received by February 10, 1961.

PUBLIC PRINTING AND STATIONERY—CHIEF PURCHASING AGENT

Question No. 1,006—**Mr. Fisher:**

1. In rough estimate (a) how many millions of dollars of buying has been supervised by the chief purchasing agent since his appointment in June 1963 and (b) how many years experience as a purchasing agent has he had (i) supervising this buying and (ii) before supervising this buying?

2. Did the civil service commission approve the appointment to the post of chief purchasing agent of the Department of Public Printing and Stationery responsible for the general purchasing division and directing the purchase of $18,000,000 yearly of government supplies, on the qualification of (a) a number of years experience in opening and recording tenders and the other qualifications specified (b) high school graduation or better (c) personal suitability and satisfactory physical condition (d) knowledge of the French language sufficient for the duties involved; and, if not, specifically and in detail (e) how and (f) when, did appointee obtain the number of years experience and abilities required in sentences 2 and 3 of the competition qualifications?

Mr. Pickersgill: 1. (a) The present chief purchasing agent was appointed in April 1961, (not June 1963 as indicated in the question) and since that time the figure is approximately $40,000,000. (b) (i) Two years; (ii) None.

2. Yes. (a) Yes; (b) Yes; (c) Yes; (d) Yes; (e) Not applicable; (f) Not applicable.

Questions

CIVIL SERVICE COMPETITION 60-P-1D-133

Question No. 1,007—**Mr. Fisher:**

At the time of competition 60-P-1D-133, December 15, 1960, did (a) the chief purchasing agent have no buying experience and (b) did the purchasing agent commercial printing have 14 years' experience?

Mr. Drury: (a) Yes; (b) Yes.

P.P. AND S.—COMPETITION FOR PURCHASING AGENT

Question No. 1,008—**Mr. Fisher:**

1. For competition 60-P-1D-133, (a) how many French Canadian candidates applied (b) how many non-French Canadian candidates applied and (c) of the total number of candidates, how many purchasing agents grade 4 or higher were judged (i) bilingual (ii) non-bilingual?

2. Were any applications received from any non-French Canadian purchasing agents from the purchasing division of the Public Printing and Stationery Department and, if so, how many with grades (a) purchasing agent 3 (b) purchasing agent 4 (c) purchasing agent 5 and (d) how many of each purchasing agent grade were interviewed by the selection board in (i) English (ii) French (iii) both languages?

3. Were any of the English Canadian applicants from the purchasing division with purchasing agent 3 or higher, disqualified and, if so (a) how many in each grade (b) for what reason in each grade (c) by whose authority in each grade?

4. Were any applications received from any candidate from the Department of Public Printing and Stationery from a division of the department concerned with responsibilities other than purchasing and, if so (a) how many (b) were any of these applicants ever employed in purchasing or procuring or work relating to purchasing or procuring (i) stationery (ii) paper (iii) envelopes (iv) office equipment (v) printing (vi) plant equipment and supplies and, if so (c) in what division of the department was this work performed and (d) what specifically did the applicant do in relation to part (b) above?

5. Were any English speaking applicants purchasing agent 3 or higher, interviewed by the selection board mainly in the English language and, if so, how many (a) from the Department of Public Printing and Stationery and their purchasing agent grades (b) from outside public printing and stationery and their purchasing agent grades?

6. Were any applicants interviewed by the selection board mainly in the French language and, if so, how many (a) from the Department of Public Printing and Stationery and their purchasing agent grades or positions and (b) from outside public printing and stationery and their purchasing agent grades or positions?

7. How many English Canadian applicants purchasing agent 3 or higher had (a) oral (b) written, French tests to establish the requirement "A knowledge of both the English and French languages sufficient for the duties involved is required", and of these (c) how many applicants from the Department of Public Printing and Stationery and their purchasing agent grades (d) how many from outside public printing and stationery and their purchasing agent grades (e) who applied the (i) written test (ii) oral test (f) what official or officials judged the candidates' non-eligibility for the French competition requirement?

8. How many French Canadian applicants had (a) oral (b) written, English tests to establish the

requirement "A knowledge of both English and French languages sufficient for the duties involved is required", and of these (c) how many applicants from the Department of Public Printing and Stationery and their purchasing agent grades (d) how many from outside public printing and stationery and their purchasing agent grades (e) who applied the (i) written test (ii) oral test and (f) what official or officials judged the candidates' eligibility for the English competition requirement?

Mr. Pickersgill:

1. (a) and (b) No records are kept on the ethnic origin of applicants in any competition administered by the civil service commission.

(c) Of the 19 applications received, one candidate did not claim any knowledge of French and his application was not considered. Two candidates were judged to be non-bilingual.

2. See answer to 1 (a) and (b) above.

3. See answer to 1 (a) and (b) above.

4. Yes.

(a) 5.

(b) (i) to (vi) Yes.

(c) One in publications; one in projects; one in accounts payable; two in outside printing.

(d) Work related to purchasing and procuring of items listed in (b) of question, that is, (i) stationery (ii) paper (iii) envelopes (iv) office equipment (v) printing (vi) plant equipment and supplies.

5. See answer to 1 (a) above. However, all applicants who were interviewed were assessed to determine whether they had sufficient knowledge of both English and French languages for the duties involved.

6. See answer to 5 above. Of the 6 candidates given further consideration, three were from the Department of Public Printing and Stationery, one of whom was a purchasing agent 4.

7. See answer to 1 (a) above, also to 5 and 6 above. The examination for applicants given further consideration took the form of an oral test only. One of the three applicants who at that time was employed in the Department of Public Printing and Stationery was assessed by the board members to have insufficient knowledge of French. The board members were: Roger Duhamel, queen's printer, C. A. Drouin, supervisor, district purchasing offices division, Department of Defence Production, P. R. Powers, civil service commission officer.

8. See answer to 7 above.

COMPETITION 60-P-1D-133—CONCURRENCE OF CIVIL SERVICE COMMISSION

Question No. 1,009—**Mr. Fisher:**

What are (a) the names and positions of all civil service commission personnel having anything to do with the processing of competition 60-P-1D-133 who concurred in the acceptance of appointee's qualifications as having met sentences 2 and 3 of the competition and (b) on what information, and supplied by whom, did they base their concurrence?

Mr. Pickersgill: I have been given the following answers by the civil service commission:

(a) A number of civil service commission officers was concerned with this competition so far as the general procedure was concerned: J. A. Gauthier, C. J. Langlois, J. H. Barron, P. R. Powers, L. F. Creighton.

Mr. Powers was the particular officer named to represent the civil service commission on the advisory examining board and the oral examining board. The reports of the boards were examined and authorized by Mr. Creighton, on behalf of the commission.

(b) On information supplied by the oral examining board.

COMPETITION 60-P-1D-133—DEPARTMENTAL CONCURRENCE IN QUALIFICATIONS

Question No. 1,010—**Mr. Fisher:**

1. What are the (a) names and positions of all department of public printing personnel, having anything to do with the processing of competition No. 60-P-1D-133, who concurred in the acceptance of appointee's qualifications as having met sentences 2 and 3 of the competition and (b) from what information, supplied by whom, did they base their concurrence?

2. How many comprised the selection board and (a) what are their names (b) positions and (c) which, if any, were not fluently French speaking?

3. Were all members of the selection board together at each interview and, if not (a) for how many interviews (b) held in what languages?

4. How many interviews were held with the appointee and (a) who were present at each interview and (b) in what language were the interviews mainly conducted?

5. Were any members of the selection board from the Department of Public Printing and Stationery and, if so (a) what were their official positions and (b) length of service in those positions at the time of the competition?

6. Did any officer of the Department of Public Printing and Stationery, other than members of the selection board, exercise any authority in the selection of appointee and, if so (a) what is his position and (b) length of service in the department at the time of the competition?

7. Was one of the members of the selection board of lesser rank than another member from the same department and, if so (a) did he agree that the appointee met all the qualifications (b) did he assent to the appointment?

8. Are any signatures required on any documents of the competition certifying that the appointee met all the qualifications and, if so, (a) whose signatures (b) what official position?

9. Are any signatures required on any documents of the competition ratifying the appointment for the Department of Public Printing and Stationery and, if so (a) whose signature (b) what official position?

Mr. Pickersgill: I have been given the following answers by the civil service commission:

1. (a) The records of the civil service commission indicate that the following person

from the Department of Public Printing and Stationery was involved in competition 60-P-1D-133, Roger Duhamel, queen's printer.

(b) From information supplied by the applicants on their application forms, and at the time of the oral examination.

(a) and (b) P. R. Powers, civil service commission officer; Roger Duhamel, queen's printer; C. A. Drouin, supervisor, purchasing offices division, defence production.

(c) All were fluently French speaking.

3. Yes.

4. One. (a) All board members listed above; (b) French.

5. Yes. (a) Queen's printer; (b) six months.

6. One departmental officer acted as an adviser to the departmental member. (a) Superintendent, purchasing and stores branch. (b) Approximately 6½ years.

7. The adviser was not a member of the selection board—he was an adviser to the departmental member.

8. (a) and (b). The board members, as shown in 2 (a) and (b).

9. (a) and (b). The certificate of appointment was signed by the acting secretary of the civil service commission.

P.P. AND S.—EMPLOYEES IN PURCHASING DIVISION

Question No. 1,012—**Mr. Fisher:**

1. How many persons are employed in the purchasing division of the department of public printing and, of these, how many are (a) English Canadians (b) French Canadians?

2. How many stenographers, secretaries and typists are employed in the purchasing division and of these how many are (a) English Canadians (b) French Canadians?

3. How many English Canadian purchasing agents grade 3 or higher were employed in the purchasing division as of December, 1960, and of these how many were in the purchasing division for (a) 1-3 years and grades (b) 3-6 years and grades (c) 6-10 years and grades (d) 10 years and over and grades?

Mr. Drury: 1. Thirty eight. (a) and (b)—The Department of Public Printing and Stationery does not keep a record of the ethnic origin of its personnel. Applicants for employment, when completing the application form for the civil service commission, are requested to indicate only whether or not they speak, read and write French, English, or both. Of the 38 employees there are 26 bilingual and 12 unilingual.

2. See answer (a) and (b) of part 1 above.

3. See answer (a) and (b) of part 1 above.

COMPETITION 60-P-1D-133—LANGUAGE REQUIREMENT

Question No. 1,013—**Mr. Fisher:**

Is the qualification "A knowledge of both the English and French languages sufficient for the duties involved is required" a part of competition 60-P-1D-133 and, if so (a) how much English is sufficient for the duties involved (b) how much French is sufficient for the duties (c) how was this sufficiency arrived at (d) on what basis (e) who decided the sufficiency of French, and (f) on what grounds?

Mr. Pickersgill: I have been given the following answers by the civil service commission:

(a) Ability to read, speak and write.

(b) Ability to read, speak and write.

(c) Duties require incumbent of position to deal through correspondence and personally with both English speaking and French speaking persons.

(d) Persons with whom incumbent of position officially deals.

(e) All members of the examining board.

(f) Knowledge of English and French languages demonstrated before the board and statements of candidates before the board.

COMPETITION 60-P-1D-133—BILINGUAL REQUIREMENT

Question No. 1,014—**Mr. Fisher:**

1. Who specified that competition 60-P-1D-133 be bilingual?

2. What was his position?

3. As of December 15, 1960, how many years' experience did he have in that position?

4. For what reason was the post made bilingual?

Mr. Pickersgill: I have been given the following answer by the civil service commission:

1, 2 and 3. The civil service commission specified that this competition be bilingual on the recommendation of the department.

4. In accordance with section 32A of the civil service regulations made pursuant to the Civil Service Act (chapter 48 of the Revised Statutes of Canada 1952), the bureau made a knowledge of both English and French a requirement for the position.

EXECUTIVE ASSISTANT, QUEEN'S PRINTER

Question No. 1,015—**Mr. Fisher:**

Was one of the duties of the departmental secretary to act as executive assistant to the queen's printer as listed on competition 56-P-1D-87 and, if so, at the time of this competition, December 15, 1960, was the queen's printer aware (a) of the duties of his executive assistant (b) of the duties of his chief purchasing agent and, if so (c) on what basis did he agree that appointee met all the qualifications and (d) confirmed the appointment?

Mr. Pickersgill: Yes.

(a) Yes.

(b) Yes.

(c) On the basis that appointee met the qualifications as listed on poster for competition number 60-P-1D-133.

(d) The appointment was confirmed by the civil service commission issuing a certificate on behalf of the successful candidate with an

effective date of February 15, 1961. This certificate was signed by the acting secretary of the civil service commission.

GLASSCO REPORT ON P.P. AND S. TENDERING PROCEDURE

Question No. 1,016—**Mr. Fisher:**

Does the Glassco commission report, volume 2, page 305, paragraph 2, state that "the tendering procedure (in the Department of Public Printing and Stationery) often leads to a product of unsatisfactory quality" etc. and, if so, what official controls or directs the tendering procedure in the purchasing division?

Mr. Drury: Yes; the superintendent of procurement, purchasing and stores.

RESPONSIBILITY FOR PURCHASING DIVISION, P.P. AND S.

Question No. 1,017—**Mr. Fisher:**

1. Is it the duty, as stated in competition 60-P-1D-133, of the chief purchasing agent to be "responsible for the operation of the general purchasing division; to direct the purchase of approximately $18,000,000 yearly of stationery and, if so, are the purchasing agents or chief purchasing agent (a) responsible for the operation of the purchasing division (b) directing the purchases and (c) controlling the tendering procedure?

2. Is the print buyer's selection of tenderers final and, if not (a) how many officials in the purchasing division have authority to change the print buyer's selection of tenderers (b) what are their positions (c) length of service in the purchasing division as of June 1961?

Mr. Drury: 1. If you include "under general direction to be responsible. . .etc.,"

(a), (b) and (c). The chief purchasing agent.

2. No.

(a) Two.

(b) Chief purchasing agent, and superintendent of procurement, purchasing and stores.

(c) Chief purchasing agent—three months; superintendent of procurement, purchasing and stores—seven years.

PRINT JOB TENDERS, P.P. AND S.

Question No. 1,018—**Mr. Fisher:**

How many officials in the Department of Public Printing and Stationery, other than the purchasing and stores branch, have authority to change the print buyer's selection of tenderers and (a) what are their official positions (b) what are their lengths of service in the department as of June 1961 and (c) what proportion of the total print tenders issued by the print buyer is presented to each for action of the print job tenders presented to each? In what percentage are changes made in the print buyer's selection of tenderers?

Mr. Drury: One.

(a) The queen's printer.

(b) One year.

(c) 100 per cent.

Changes could be made by queen's printer and/or officers mentioned in 1,017 (2). Print buyer's listings were changed approximately 20 out of 100 times. No record kept of percentage of changes by either one of the officers mentioned, or collectively.

PRINT ORDERS WITHOUT TENDER, P.P. AND S.

Question No. 1,019—**Mr. Fisher:**

Does the Glassco commission report, volume 2, page 304, paragraph 2, regarding the Department of Public Printing and Stationery report that "the quality of the small job suffers when contracts are not put out for tender and are placed with small and less efficient printers" and, if so (a) what was the number of orders, and total value of all print purchased without tender during the year ending March 1962, and of the year ending March 1963; and of these figures for each year (b) what was the number of orders and total value directed to suppliers in the province of Quebec (c) what was the number of orders and total value directed to suppliers in other than Quebec (d) what percentage of the number of orders in (b) was the original choice of the print buyer (e) what percentage of the number of orders in (c) was the original choice of the print buyer?

Mr. Drury: Yes.

(a) fiscal year 1961-62, 620 orders valued at $161,688.42; fiscal year 1962-63, 811 orders valued at $202,586.78.

(b) fiscal year 1961-62, 319 orders valued at $62,672.85; fiscal year 1962-63, 358 orders valued at $104,922.62.

(c) fiscal year 1961-62, 301 orders valued at $99,015.57; fiscal year 1962-63, 453 orders valued at $97,664.16.

(d) fiscal year 1961-62, 77.7 per cent; fiscal year 1962-63, 89 per cent, calculated on two months' work.

(e) fiscal year 1961-62, 93 per cent; fiscal year 1962-63, 100 per cent, calculated on two months' work.

QUEBEC SUPPLIERS ON PRINT TENDERS

Question No. 1,020—**Mr. Fisher:**

Does the Glassco commission report, volume 2, page 305, paragraph 2, regarding the Department of Public Printing and Stationery report that "contracts go to a wide variety of printers not necessarily to the efficient firms" and, if so, how many job tenders were issued by the print buyer in the year ending March 1962, and of these by the chief print buyer's estimate to his selection of tenderers (a) how many job tenders had a Quebec supplier added (b) other than Quebec suppliers deleted (c) other than Quebec suppliers added (d) Quebec supplier deleted (e) all Quebec suppliers eliminated (f) all suppliers other than Quebec eliminated (g) no changes?

Mr. Drury: Yes; 1,325. (a) 175; (b) 279; (c) 46; (d) 168; (e) 32; (f) 100; (g) 921 calculated on a survey of 876 purchases for eight government departments.

CHANGES IN PRINT TENDERS, P.P. AND S.

Question No. 1,021—**Mr. Fisher:**

Is the ultimate responsibility for purchasing placed on the queen's printer by virtue of the printing and stationery act and, if so, what percentage during the year ending March 1962 of all (a) print tenders

(b) other than print tenders, prepared for issue by the purchasing division were processed by this officer and (c) were changes in the tenderers involved in the processing and, if so, (d) in what percentage of the total tenders processed?

Mr. Drury: Yes. (a) 100 per cent; (b) 25 per cent; (c) Yes; (d) 2 to 5 per cent by the three officers mentioned in 1,018 (c).

CANADIAN AID TO UNDERDEVELOPED COUNTRIES

Question No. 1,066—**Mr. Matheson:**

In the last available year of record, how does Canada's donation of aid to underdeveloped countries, expressed as a percentage of gross national product, compare with the following donors (a) each nation of NATO Europe (b) NATO Europe (c) U.S.A. and (d) NATO North America?

Mr. Martin (Essex East): On the basis of statistics prepared in the organization for economic co-operation and development (O.E.C.D.), the G.N.P. for each of the following countries in 1961, the last year for which comprehensive statistics are available, are:

Country	G.N.P. $ U.S. million
Belgium	10,723
Canada	31,743
Denmark	5,829
France	55,516
Germany	66,655
Italy	30,946
Japan	44,553
Netherlands	11,149
Norway	4,306
Portugal	2,384
U.K.	67,245
U.S.	475,393
Total D.A.C.	807,061

The following statistics, prepared in the development assistance committee (D.A.C.) of the O.E.C.D., show the total official flow of financial resources from D.A.C. members* in terms of disbursements over the same period:

Country	$ U.S. million 1961
Belgium	92
Canada	62
Denmark	7
France	943
Germany	589
Italy	66
Japan	214
Netherlands	69
Norway	30
Portugal	30
United Kingdom	441
United States	3,493
Total D.A.C. countries	6,015

* Greece, Turkey and Iceland while members of NATO and the O.E.C.D., are not major aid giving countries and do not participate in the D.A.C.

Questions

On the basis of the above statistics, the following calculations can be made to show aid disbursements as a percentage of G.N.P. in each country during 1961:

Country	%
Belgium	.86
Canada	.19
Denmark	.12
France	1.70
Germany	.83
Italy	.21
Japan	.48
Netherlands	.62
Norway	.21
Portugal	1.24
U.K.	.66
U.S.	.73
Total D.A.C.	.75

TENDER NO. 36-35477-P, QUEEN'S PRINTER

Question No. 1,126—**Mr. Francis:**

1. Was a tender No. 36-35477-P, due April 22, 1963, called for offset printing work for the outside establishments of the queen's printer?
2. What tenders were submitted, by what firms, and at what prices?
3. Were all tenders submitted within the required date?
4. When were the tenders opened; were tenderers permitted to be present when tenders were opened, and were the tenderers notified when tenders were to be opened?
5. Who was awarded the tender?
6. Were the unsuccessful tenderers notified that they were unsuccessful and if so, on what occasion, and by what means?
7. Who was awarded the previous year's tender for similar work?

Mr. Drury: 1. No. The tender covered film and platemaking requirements for Ottawa area printing units of the queen's printer for the fiscal year 1963-1964.

2. The tender requested unit prices for the platemaking requirements for the Ottawa area printing units for the fiscal year 1963-64. The schedules in the tender requested quotations for masked negatives, line negatives and half tone negatives, and retouching. The considerations for awarding the contracts, for an over all total not exceeding $20,000, were the lowest bid of the unit prices for the items in the greatest area of requirement (based on purchases for 1962-1963), and the discounts offered for volume purchasing.

On the above basis Addressograph-Multigraph was the lowest bidder in schedule "B"—line negatives 4x6 to 9x11 and 10x15 plate, and awarded the contract.

Bern Engraving was the lowest bidder in schedule "C"—half tone negatives 4x6 to 9x11 and 10x15 plate, and awarded the contract.

After considering the competitive position of these two firms, schedule "B"—line negatives only, 4x6 to 9x11 to accommodate 10x15

plates, and schedule "C"—half tone negatives only, 4x6 to 9x11 to accommodate 10x15 plates were awarded to Bern Engraving. Schedule "A"—masked negatives contract was awarded to Addressograph-Multigraph.

The discounted prices offered by Pilgrim Offset and Capital Photo Engravers were not competitive in the greatest area of requirement.

3. Yes. An error in the specifications was noted on the date before the opening of the tenders. Revised specifications were immediately given to all firms by telephone, and at the same time they were advised that the time limit was extended to April 23, 1963.

4. (a) Tenders were opened at 9:30 a.m., April 24; (b) It is not the practice of the Department of Public Printing and Stationery to invite tenderers to be present at opening of tenders; (c) No.

5. Bern Engraving and Addressograph-Multigraph were each awarded a part of the order, as they were the low tenderers in their respective parts.

6. (a) Yes; (b) Following award of contract; (c) Verbally.

7. Pilgrim Offset.

TENDERS FOR PROPANE, FORT CHURCHILL

Question No. 1,167—**Mr. Simpson:**

1. Were tenders advertised or called in relation to supply of propane for heating purposes at Fort Churchill and, if so, when, and where were these tenders advertised or called?
2. How many bids were submitted?
3. What were the amounts of these bids?
4. Who was the successful tenderer?

Mr. Drury: 1. No. It is the policy of the department to call tenders wherever possible; however, in this case, Steelgas Limited of Calgary, Alberta, on its own initiative and at no cost to the crown, conducted a detailed engineering study of the Fort Churchill heating plants and submitted a proposal for the conversion of the boilers in the three principal heating plants to dual oil/gas fired, construction of LP gas storage and distribution facilities, supply of LP gas, including the maintenance and operation of the system for a 2½ year period. The use of LP gas will result in savings in the cost of the product and in the operation and maintenance of the plants.

2. N/A.

3. N/A.

4. N/A.

CONSTRUCTION OF PENAL INSTITUTION, SPRINGHILL, N.S.

Question No. 1,175—**Mr. Coates:**

1. On what date does the government now intend to initiate construction of the young offenders penal institution to be located at Springhill, N.S.?

[Mr. Drury.]

2. What firm has been appointed as architects to prepare plans and specifications and supervise construction of the institution?
3. On what date was the said firm appointed, and what is the amount of the fee for services rendered?

Mr. Badanai: 1. March, 1964, approximately.

2. C. D. Davison and Company, Halifax, N.S.

3. September 4, 1963 (treasury board minute No. 615273); approximately $126,000.

*MAINTENANCE OF T.C.A. SCHEDULE, MONTREAL-BAGOTVILLE

Question No. 1,181—**Mr. Côté (Chicoutimi):**

Have representations been made by various groups in the Saguenay area, requesting T.C.A. to maintain its normal flight schedule between Montreal and Bagotville and vice versa after October 26 next and, if so, will these services be maintained after that date?

[*Translation*]

Mr. Cantin: Representation was received, apparently based on erroneous information. T.C.A.'s schedule effective October 27, 1963, retains twice a day service between Saguenay/Bagotville and Montreal. Although some changes in time and routing have necessarily had to be made, it is considered this provides good service for businessmen between the Saguenay area and Montreal.

[*Text*]

*APPLICATION OF SALES TAX ON MACHINERY

Question No. 1,184—**Mr. Jones:**

1. On what date were the regulations regarding the collection of sales tax on building materials and machinery made available throughout Canada?
2. What steps have been taken to clarify circular ET-92 to remove the application of the tax on remanufactured goods, particularly on automotive supplies?
3. What action has been taken to assure that individual repairs undertaken by custom machine shops were not taxable?

Mr. Garland: 1. The current general regulations regarding the collection of taxes on all taxable goods have been available since April 1961 and distributed to all licensees. Special bulletins have been issued as follows: Building materials—July 9, 1963; Machinery and apparatus—July 9, 1963 and August 19, 1963.

2. The removal of the sales tax on remanufactured goods is not contemplated. Section 30 of the Excise Tax Act imposes the tax on the sale price of all goods produced or manufactured in Canada. There is nothing in the act which states that the tax applies only on goods manufactured or produced exclusively from new materials. Goods produced or manufactured from a combination of new and used materials, or from used materials only, are, therefore, none the less goods for the purpose of the act and the tax applies on the sale price thereof.

3. In respect of the third part of the question, this is covered by sections 4, 5 and 6 of circular ET-92, August 28, 1963. Further revision of these sections, now under consideration, will depend on adequate control being established by custom machine shops to maintain satisfactory identification of ownership of the rebuilt article.

DALLAS TAYLOR

Question No. 1,203—**Mr. Fisher:**

1. What office does Dallas Taylor hold in the government?
2. What is his age, place of birth, institutions of education attended and educational qualifications, governmental or business experience (position held, length of experience, name of firm or employer), and initial and present salary with the government?
3. What length of time has this gentleman undertaken to serve the government and/or what engagement in length of time was given to him?
4. In brief, what particular qualities of Mr. Taylor led to his engagement?

Mr. Hays: 1. Special assistant to the Minister of Agriculture.

2. Age: 35; place of birth: Winnipeg, Manitoba. Educational institutions: public school; high school (sr. matric.); normal school (1st class certificate), Winnipeg, Manitoba. Business experience; secretary, Manitoba Liberal association, Winnipeg, Manitoba, 12 years; Manager, Credit Union, Winnipeg, Manitoba, 2 years. Initial and present salary: $7,500.

3. While services required.

4. Ability and experience.

GEOLOGICAL SURVEY

Question No. 1,218—**Mr. Cameron (Nanaimo-Cowichan-The Islands):**

1. Has there been an increase in permanent staff of the geological survey of Canada since 1950 and, if so, how large has the increase been?
2. Has there been an increase in the budget of the geological survey since 1950 and, if so, by how much has it increased?
3. How many field parties were set out in each year since 1950?
4. What were the expenditures on field parties in each year since 1950?
5. What is the number of publications per year since 1950?
6. What is the average length of time elapsing between the final season of field work in any area and the publication of the results?

Mr. Benidickson: 1. Yes. From 232 to 413.

2. Yes. From 1,437,456 to 6,456,800.

3. 1950, 89; 1951, 88; 1952, 78; 1953, 79; 1954, 87; 1955, 70; 1956, 71; 1957, 69; 1958, 76; 1959, 76; 1960, 87; 1961, 102; 1962, 94; 1963, 106.

4. 1950, 509,700; 1951, 392,000; 1952, 571,000; 1953, 507,000; 1954, 665,000; 1955, 933,000; 1956, 680,000; 1957, 712,500; 1958, 830,000; 1959, 955,700; 1960, 1,130,000; 1961, 1,320,400; 1962, 1,290,000; 1963, 1,369,500 estimated.

5. 1950, 77; 1951, 84; 1952, 96; 1953, 96; 1954, 112; 1955, 105; 1956, 195; 1957, 275; 1958, 155; 1959, 145; 1960, 387; 1961, 219; 1962, 398.

6. The results of geological survey field work are presented in four ways.

1. Summary of activities field. Published annually in January and consists of a 250 word summary of the results of each field project.

2. Preliminary maps and papers. Reports on individual areas without detailed mineralogical, palaeontological or other laboratory research. The average publication interval from close of field work ranges from 10 months for a single, annotated map of relatively simple geology to two years for a more extensive paper with geological map. Interim reports on projects involving several field seasons are issued in this series.

3. Bulletins. Comprehensive monographs on any geological or related subject not involving systematic mapping. Average time in preparation about three years.

4. Memoirs. Comprehensive reports on all phases of the geology of a specific map area, accompanied by one or more coloured geological maps. Average time in preparation about five years.

Memoirs and bulletins are final reports and involve a mature consideration of several years field and laboratory research supported by all the resources that modern geological science can offer.

CARGO SHIP CONSTRUCTION

Question No. 1,223—**Mr. Beaule:**

1. How many cargo ships have been built in the Canadian shipyards for each of the last five years, and what is the tonnage of these ships?
2. How many of these ships have been built in the Lauzon, Sorel, and Vickers Ltd., of Montreal shipyards?
3. How many ships built during these last five years are registered in Canada, what is the total tonnage of these ships, and what proportion of the total of goods shipped by water have these ships carried?

Mr. Cantin:

[*Translation*]

	1958	1959	1960	1961	1962
1. No. of vessels	8	5	8	8	14
Gross tonnage	69,858	75,350	108,024	70,270	105,909

Listed above are self-propelled, commercial, dry cargo vessels and tankers over 100 gross ton by calendar year.

Questions

	1958	1959	1960	1961	1962
2. Lauzon	2	2	2		3
Sorel	1	—	—	1	—
Montreal	2	—	1	1	2
	1958	1959	1960	1961	1962
3. No. of vessels	5	4	7	8	14
Gross tonnage	29,502	48,438	81,056	70,270	105,909

The commission does not maintain records on the total of goods shipped by water for these ships.

[*Text*]

COAL CONTRACT, CAMP SUSSEX, N.B.

Question No. 1,224—**Mr. Fairweather:**

What was the tender price of the contract awarded to Weaver Coal Company, 1155 Dorchester street west, Montreal, for supplying 700 tons of coal to Camp Sussex, New Brunswick, per tender GQ20-307600-4, which closed April 22nd, 1963?

Mr. Drury: Total price—$9,446.50.

Note: Hereunder are prices of the tenders received:

Firm	Price Per Ton	Total Price	Price Per Million BTU's
Newcastle Coal Company, Minto, N.B.	$ 12.75	$ 8,925.00	54.4 ¢
Weaver Coal Company, Montreal, P.Q.	13.495	9,446.50	52.71
Dunsinane Coal Company, Sussex, N.B.	14.00	9,800.00	53.82

Awarded to Weaver Coal Company on recommendation of the interdepartmental fuel committee based upon lowest price per BTU, according to the board's calculations.

*PERSONNEL OF OFFICE OF LEADER OF OPPOSITION

Question No. 1,227—**Mr. Drouin:**

What are the names of the persons being paid from public funds on the office staff of the right hon. Leader of the Opposition, showing in each case (a) their classification, (b) annual salary and (c) bilingual qualifications?

[*Translation*]

Mr. Davis: Mr. Speaker, I could answer this question orally, but it would take a few minutes to read the reply. Therefore, I ask the permission of the house to have the reply printed in *Hansard* without being read.

[*Text*]

Mr. Speaker: Does the house grant permission?

Some hon. Members: Agreed.

[*Editor's note: The list referred to above is as follows:*]

Mr. B. T. Richardson, special assistant, $13,100; Mr. T. W. Van Dusen, executive assistant, $10,000, yes; Mr. G. Guthrie, economic advisor (4), $10,300; Mr. R. C. Laing, administrative officer (4), $7,020; Mrs. M. Wagner, administrative officer (2), $6,960; Mr. G. Champagne, supervising clerk, $5,340, yes; Miss M. R. Pound, principal clerk, $5,000; Mrs. L. Hayes, principal clerk, $4,860; Mrs. Y. LaFleur, secretary to executive, $4,950, yes; Mr. G. Hetherington, clerk (4), $4,710; Miss A. Trotter, stenographer (3), $4,200.

YUKON TERRITORY—CONTRACTS FOR AIR CHARTER SERVICES

Question No. 1,238—**Mr. Nielsen:**

With respect to the operations of the Department of Mines and Technical Surveys in the Yukon Territory since April 8, 1963 (i) how many contracts for air charter services or other air charter work were awarded in the Yukon Territory (ii) to which persons, firms, or corporations were such contracts awarded (iii) in the case of each contract, what was the contract price or cost (iv) in the case of each contract, was there a public tender called (v) in the case of any of such contracts where there were no public tenders called, why were such tenders not called (vi) in the case of any such contracts for which no public tenders were called, to which person, firm or corporation were the contracts awarded (vii) in the case of any such contracts where there were no public tenders called, by what authority were the same awarded (viii) in the case of any such contracts, did any of them remain incomplete and, if so, what was the reason (ix) in the case of any such contracts, remaining incomplete, is it the intention of the government to have the same completed and, if so, by whom (x) in the case of any such contracts remaining incomplete and, which the government intends to have completed, what will be the additional cost of completion, if any, in each case?

Mr. Benidickson: (i) Four.

(ii) Hunting Survey Corp. Ltd.; Associated Helicopters Ltd.; Northwest Territorial Airways Ltd.; Klondike Helicopters Ltd.

(iii) Hunting Survey Corp. Ltd., $157,527; Associated Helicopters Ltd., $70,000 (estimated); Northwest Territorial Airways Ltd., $23,144 (estimated); Klondike Helicopters Ltd., $33,338 (estimated).

(iv) No.

(v) The contracts with Associated Helicopters Ltd., Northwest Territorial Airways Ltd., and Klondike Helicopters Ltd. were for the provision of a class 4 air service. In such cases, public tenders are not called but all operators listed by the air transport board, for the required services, are contacted and a selection is made from those interested on the basis of the lowest estimated cost to the department.

The contract with Hunting Survey Corp. Ltd. was for the provision of a class 7 air service. In such cases, all companies considered capable of providing this type of service were invited to tender, and the company submitting the lowest tender was awarded the contract.

(vi) Same as (ii).

(vii) Treasury board.

(viii) The contract with Hunting Survey Corp. Ltd. is presently incomplete. This contract provides for completion of the service within a two-year period.

(ix) Yes, by Hunting Survey Corp. Ltd. in accordance with the terms of the existing contract.

(x) Nil.

CANADIAN DEEP SEA MERCHANT MARINE

Question No. 1,245—**Mr. Côté (Chicoutimi):**.

Does the government intend to take any steps to restore the Canadian deep sea merchant marine in the near future and, if so, what are they?

[*Translation*]

Mr. McIlraith: This is a matter involving government policy, on which any announcement would be made in the usual way.

[*Text*]

REPRESENTATIONS BY MARITIME LUMBER BUREAU

Question No. 1,247—**Mr. Muir (Cape Breton North and Victoria):**

What consideration and reply has been given to the representations made by Mr. C. H. Sproule, secretary, on behalf of the maritime lumber bureau in a communication to the Minister of Finance dated September 17, 1963?

Mr. Benson: The Minister of Finance considered the representations and replied to Mr. Sproule in a letter dated September 26, 1963.

*EXTRADITION TREATY WITH ISRAEL

Question No. 1,250—**Mr. Herridge:**

Has the Secretary of State for External Affairs or any of his officials held discussions recently with representatives of the state of Israel with respect to the signing of an extradition treaty with that country and, if so, what is the result of these talks?

Mr. Martin (Essex East): Mr. Speaker, the Department of External Affairs in July of this year proposed to the Israeli embassy in Ottawa that an extradition treaty be negotiated between our two countries and the embassy was supplied with a draft text of a possible treaty upon which further discussion could be based. This proposal, I believe, has been passed on to the ministry in Israel for comment. The situation at the moment is that we are awaiting a reply from the government of Israel; their legal departments are now considering the draft document supplied.

CAPITAL GAINS TAX

Question No. 1,253—**Mr. Mather:**

Is the government considering the imposition of a capital gains tax on stock market speculations?

Answer: The imposition of any tax is a matter of government policy. If the government were to consider imposing such a tax it would be made known to the house at the appropriate time.

LOSSES FROM FIRES CAUSED BY CIGARETTES

Question No. 1,255—**Mr. Mather:**

1. What was the estimated Canadian property loss in 1962, in fires attributed to cigarette smoking?
2. What was the estimated loss of life in 1962, in fires attributed to cigarette smoking?

Mr. Badanai: 1. $6,500,000.

2. 88.

CONTINUATION OF CROWN CORPORATIONS

Question No. 1,259—**Mr. Balcer:**

1. Is it the government's intention to abolish (a) Canadian Arsenals Limited (b) Canadian Commercial Corporation (c) Crown Assets Disposal Corporation (d) Defence Construction (1951) Limited?
2. Is it the government's intention to withdraw the powers granted to (a) Canadian Arsenals Limited (b) Canadian Commercial Corporation (c) Crown Assets Disposal Corporation (d) Defence Construction (1951) Limited?
3. How many French speaking Canadians hold the office of president of the corporations under the jurisdiction of the Department of Industry?

Mr. Drury: 1. No.

2. The government is currently giving consideration to a number of recommendations contained in the report of the royal commission on government organization, insofar as it concerns these corporations.

3. The Department of Industry does not have jurisdiction over any corporations. The answer in so far as the Department of Defence Production is concerned is "three".

Questions

POST OFFICE BUILDING, GAINSBOROUGH, SASK.

Question No. 1,263—**Mr. Southam:**

Is the government giving consideration to the construction of a crown building to be used for post office premises in the village of Gainsborough, Saskatchewan, this fall under the winter works program and, if so, (a) has the tender for construction been let (b) who was the successful bidder, and (c) what was the amount of the contract?

Mr. Badanai: Yes, but no final decision has yet been reached.

(a) No.

(b) and (c) Not applicable.

SALE TO ISRAEL BY AUTOMATIC ELECTRIC CO.

Question No. 1,265—**Mr. Bell:**

1. Has a $2,500,000 order been arranged between Israel and Automatic Electric (Canada) Limited, Brockville, Ontario and, if so, (a) was this financed under the provisions of the Export Credits Insurance Act (b) what was the length of term credit (c) what rate of interest is being charged in the contract?

2. Is any other government financing involved and, if so, what are the details?

Answer: 1. (a) Yes, under section 21A of the Export Credits Insurance Act.

(b) Twenty one semi-annual instalments commencing September 15, 1965.

(c) 6 per cent per annum.

2. No.

ASSISTANCE TO EXPORT MANUFACTURERS

Question No. 1,266—**Mr. Bell:**

Has any consideration been given to assisting Canadian export manufacturers in a manner similar to the A.I.D. program of the United States and, if so, what are the details?

Answer: Under section 21A of the Export Credits Insurance Act long term Canadian government financing up to 25 years is available in connection with the sale abroad of Canadian capital equipment. The normal interest rate for such financing is 6 per cent. In addition, in the pure aid context, capital equipment and capital projects as well as certain commodities of Canadian origin are supplied to the underdeveloped areas under Canadian grant aid programs, in particular the Colombo plan. In these instances, of course, no repayment or interest is involved.

In contrast aid supplied to the underdeveloped areas by the United States agency for international development (AID) takes the form, in large measure, of long term low interest loans covering the supply of both capital equipment and a variety of commodities. These loans involve maturities of up to 40 years with extensive grace periods during which no repayment of principal is required. Interest rates are nominal or very low.

The essential difference in the facilities available to Canadian and U.S. exporters is that the former are in a position to take advantage of loans running to 25 years and grants to less developed countries while the latter enjoy the advantages provided by longer terms loans at low rates of interest.

RURAL MAIL CONTRACT, PUTNAM, ONT.

Question No. 1,267—**Mr. Millar:**

1. Has the contract for the hauling of mail on R.R. No. 1, Putnam, Ontario, been awarded?

2. What were the names and the amounts of each bidder?

Mr. Denis: 1. Yes.

2. George Randolph Hunt, Putnam, $1,535; Joseph John Rath, Putnam, $1,560; William Ross Clement, R.R. No. 2, Mossley, $2,100.

RAPESEED MEAL EXPORTS

Question No. 1,270—**Mr. Rapp:**

1. What was the total amount of Canadian rapeseed meal exported during the calendar years 1961 and 1962, and to date in 1963?

2. What are the names of the countries which bought Canadian rapeseed meal during this period?

3. What were the respective amounts of rapeseed meal purchased by each country for each of these years?

4. What was the total amount in dollars and cents of rapeseed purchased by each country in these years?

Answer: 1, 2, 3, and 4. Rapeseed meal is not separately classified in Canadian export statistics but is included in export class 153-99 "Oilseed cake and meal n.e.s." The total exports, by countries, in this class during the calendar years 1961 and 1962, and the period January 1 to August 31, 1963 (latest statistics available) are as follows:—

Questions

Country	Year 1961 Cwt.	Year 1961 Value	Year 1962 Cwt.	Year 1962 Value	Jan. 1 to Aug. 31 1963 Cwt.	Jan. 1 to Aug. 31 1963 Value
United Kingdom	6,787	$14,361	.....	$.....	.....	$.....
Belgium & Luxembourg	1,002	3,707	.....	.....	.....	.....
Germany West	2,002	8,208	.....	.....	.....	.....
Japan	.....	.....	10,599	20,641	.....	.....
British Guiana	.....	.....	25	111	.....	.....
Trinidad and Tobago	.....	.....	660	3,300	.....	.....
Netherlands	1,249	5,173	.....	.....	.....	.....
Leeward & Windward	25	81	.....	.....	.....	.....
United States	101	653	.....	.....	.....	.....
Totals	11,166	$32,183	11,284	$24,052	.....	$.....

SALES OF BUTTER OIL

Question No. 1,273—**Mr. Doucett:**

1. How much butter oil was sold or disposed of from August 1, 1963, to October 1, 1963?
2. In what manner was the butter oil disposed of, and to whom?
3. What amounts were sold, and what prices were received?
4. What was the amount of butter oil the government had in storage on the first day of August, September and October 1963?

Mr. Hays: 1. 145,800 lbs.

2. Sold to Shefford Dairies Ltd., Lawrenceville and Kraft Foods Ltd., Montreal. In addition samples were sold to prospective buyers.

3. Shefford Dairies Ltd., 19,656 lbs. at 65 cents per lb.; Kraft Foods Ltd., 125,442 lbs. at 65 cents per lb.; samples to prospective buyers, 702 lbs. at 65 cents per lb.

4. Stocks August 1, 81,309,699 lbs.; stocks September 1, 81,290,043 lbs.; stocks October 1, 81,163,899 lbs.

*MOSSY RIVER DAM, MANITOBA

Question No. 1,275—**Mr. Forbes:**

1. Have tenders been called for the construction of a dam on the Mossy river at Dauphin, Manitoba and, if so, how many tenders were received, and what is the amount of each?
2. When will construction start and when is it expected that the dam will be completed?

Mr. Beer: 1. Tenders for the construction of the Mossy river dam were advertised during the week of July 29, 1963. Seven tenders were received in the following amounts:

J. S. Quinn Construction Co. Ltd., Winnipeg, $64,579.90; Husky Construction Co. Ltd., Winnipeg, $68,769.50; Macaw and MacDonald Ltd., St. Boniface, Man., $77,677.00; Foley Construction Co. Ltd., Winnipeg, $78,602.10; Harper Construction Co. Ltd., Winnipeg, $80,191.25; Pile Foundations Ltd., Winnipeg, $88,664.50; Warner Construction Ltd., Dauphin, Man., $89,989.00. The lowest tender was accepted.

2. The contractor is expected to commence construction within ten days and complete the project July 31, 1964.

MANUFACTURING AS PERCENTAGE OF TOTAL PRODUCTION

Question No. 1,279—**Mr. Matheson:**

What percentage does total manufacturing industries production bear to total national production in each of the years since 1945?

Answer:

	Gross domestic product at factor cost of manufacturing industries	Total gross domestic product at factor cost	Percentage gross domestic product of manufacturing industries to the total gross domestic product at factor cost
	$ Millions	$ Millions	%
1945	2,960	10,804	27.4
1946	2,816	10,791	26.1
1947	3,310	11,857	27.9
1948	3,909	13,699	28.5
1949	4,303	14,885	28.9
1950	4,714	16,458	28.6
1951	5,474	19,126	28.6
1952	6,150	21,344	28.8
1953	6,453	22,206	29.1

	Gross domestic product at factor cost of manufacturing industries	Total gross domestic product at factor cost	Percentage gross domestic product of manufacturing industries to the total gross domestic product at factor cost
	$ Millions	$ Millions	%
1954	6,291	22,213	28.3
1955	6,779	24,326	27.9
1956	7,605	27,189	28.0
1957	7,904	28,455	27.8
1958	7,753	29,354	26.4
1959	8,286	31,175	26.6
1960	8,430	32,363	26.0
1961	8,592	33,416	25.7
1962	9,370	35,931	26.1

Source: d.b.s. publications "National Accounts, Income and Expenditure" for 1926-56, 1959 and 1962.

PARKING PROVISIONS, C.M.H.C. HOUSES

Question No. 1,281—**Mr. Jones:**

1. Does C.M.H.C. have a regulation requiring that in regard to all new C.M.H.C. financed houses built after September 10, 1963, there be provided a place to park a car somewhere on the property?
2. If so, is this a regulation of general applicability, or does it apply to certain regions only?
3. Is this regulation *intra vires* the powers of the government of Canada?

Answer: 1. This requirement has been in effect since January 1, 1962, under the housing standards.

2. This requirement has general application.

3. Yes.

WHEAT SHIPMENTS THROUGH CHURCHILL

Question No. 1,282—**Mr. Jones:**

How many bushels of wheat have been shipped out of the port of Churchill each year since the inception of wheat shipments through that port?

Answer: Ocean shipments of wheat from Churchill, season of navigation, 1931-62

Year	Shipments[1] bushels
1931	545,000
1932	2,736,000
1933	2,708,000
1934	4,050,000
1935	2,407,000
1936	4,294,000
1937	604,000
1938	917,000
1939	1,772,000
1940	—
1941	—
1942	—
1943	740,000
1944	—
1945	—
1946	2,929,000
1947	4,976,000
1948	5,314,000
1949	5,528,000
1950	6,768,000
1951	7,545,000
1952	8,585,000
1953	10,784,000
1954	12,485,000
1955	13,078,000
1956	16,250,000
1957	16,577,000
1958	19,599,000
1959	21,787,000
1960	19,585,000
1961	19,351,000
1962	21,525,000

[1]Rounded to nearest thousand bushels.

CASEIN SUBSIDY

Question No. 1,285—**Mr. Vincent:**

1. What is the name and address of each of the 14 industrial manufacturers of dried casein who are entitled to the subsidy of 10 cents a pound paid by the federal government?
2. What is the number of manufacturers who have taken advantage of the subsidy since the new policy was announced?
3. What was the wholesale price of casein in Montreal in May, June, July and August 1962, and what was the price of the same product during the same months in 1963?

Mr. Hays: 1. A subsidy of 10 cents per pound of dried casein is paid to manufacturers of casein to enable them to return to their milk producers approximately the same returns as were paid in 1962 when the agricultural stabilization board paid a flat 25 cents per pound on milk for manufacturing purposes. The following firms are those through which the subsidy has been paid since May 1, 1963:

Quinte Milk Products, Wellington, Ontario; Ottawa Valley Farms Ltd., Cornwall, Ontario;

Montreal Casein Co. Ltd., 5500 Chapleau St., Montreal, Que., Cooperative Agricole de Granby, Granby, Que., Champlain Industries Ltd., Stanbridge station, Que., Cremerie Drummondville Ltee., Drummondville, Que.; Cremerie de Lachute, Lachute, Que.; Cremerie Notre Dame Enrg., Notre Dame de Stanbridge; Lactantia Ltee., Victoriaville, Que.; Societe Cooperative Agricole de Sherington, Sherington, Cte. Napierville, Que.; Vitalac Ltd., St. Placide, Cte. Deux Montagne, Que.; Sutton Milk Products, Sutton, Que.; Shefford Dairy Ltd., Lawrenceville, Que.

2. Thirteen.

3.

	1962	1963
May	19-20¢ per lb.	17-22¢ per lb.
June	19-20¢ per lb	19-22¢ per lb.
July	19-20¢ per lb.	20-21¢ per lb.
August	19-20¢ per lb.	19-21¢ per lb.

QUESTION PASSED AS ORDER RETURN

ST. JOHN AMBULANCE TRAINING

Question No. 1,156—**Mr. Matheson:**

1. How many civilian persons, by provinces, have been trained, in each year, for civil defence by St. John Ambulance since the inception of the civil defence program?

2. How many military persons have been trained, in each year, by St. John Ambulance for the same period?

Return tabled.

LABOUR RELATIONS

TRUSTEESHIP LEGISLATION—DISCUSSION WITH PRESIDENT KENNEDY

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of the reported difficulties and delays he experienced over the week end in reaching President Kennedy, would the Prime Minister state whether any means are being taken to improve direct communications with the President, and at the same time he might tell the house the results of his talk with the President.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am very grateful to the hon. gentleman for giving me the opportunity to state there were no difficulties nor delays, and that any reports to that effect were based on a complete misrepresentation of the facts of the situation.

Because of that misrepresentation and the publicity given to it perhaps I had better put on the record exactly what happened. Immediately after the debate on this matter on Friday morning, and on Friday afternoon, I instructed that the record of that debate be sent at once to our embassy in Washington for the benefit of the state department and the White House, so that when I talked with the President he would have the record before him. That was done immediately, and at the end of the afternoon I phoned our embassy in Washington and asked them to get in touch with the White House to see if the President had a chance to study that record and if the President would be available to talk to me that evening.

I got a reply immediately that the President would be very glad to talk to me at once, or at any time convenient to me. At that time he was in conference over a dangerous situation developing in access to Berlin, and his office said if I preferred to wait until that meeting was over he would speak to me afterward and he would have the benefit of reading our record. I said I wanted to give him enough time to read the record, and I called him after breakfast on Saturday morning.

Any reports that there were difficulties or delays on this matter are designed merely to stir up this kind of anti-American sniping which is most unfortunate when we already have so many difficulties with the United States.

Mr. Martineau: As a supplementary question, I wonder whether the Prime Minister would answer the second part of my question and state the results of his talk.

Mr. Pearson: Mr. Speaker, I had a talk of 15 to 20 minutes with the President on the telephone and acquainted him, as a supplement to what he had already read, with the feelings of the House of Commons, the government and, I thought, the feelings of the people of Canada with regard to the very serious situation that had developed because of what I considered to be, and what I stated in the house was, an unhelpful intervention by the United States secretary of labour, who himself was with the President when he spoke to me, and with regard to the more than shocking intervention of the president of the A.F.L.-C.I.O.

I called the President's attention to the seriousness of the situation and expressed the hope, and more than a hope, that when the Canadian parliament took action in this matter and government trusteeship was a fact, that decision would be accepted by all concerned in the United States.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question may I ask the Prime Minister whether he received any assurance from the President that the government of the United States would co-operate with the trusteeship which this parliament has authorized the government to appoint,

and whether we would have the United States government's co-operation in seeing that Canadian shipping in American ports would be free from harassment and sabotage?

Mr. Pearson: Mr. Speaker, I am quite sure that the government of the United States will co-operate in this matter, as indeed the President's statement, issued on Saturday, indicated. I cannot give the same assurance with respect to United States labour unions and the leadership of some of those unions.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I would like to ask a related question of the Prime Minister. In this telephone conversation with the President did he discuss at any time this similar situation which is happening in relation to the divulging of information by the United States department of agriculture about our secret exchange of information on wheat sales?

Mr. Pearson: Mr. Speaker, I think I did quite enough at that time to make the feelings of the government and parliament known with regard to the matter I talked to him about, the situation on the great lakes. I did not talk to him about the situation with regard to wheat sales on this occasion, although I did previously.

NATIONAL DEFENCE

CHURCHILL, MAN.—REPORTED INTENTION TO WITHDRAW MILITARY PERSONNEL

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I would like to direct a question to the Minister of National Defence, of which I have sent him notice. In view of the persistent and very disturbing rumours which are currently circulating in Churchill, Manitoba, to the effect that all or practically all military personnel will be withdrawn from Fort Churchill during the first half of 1964, can the minister advise the house whether plans of this nature are under consideration?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, it is true that consideration is being given to withdrawing some of the service personnel from Fort Churchill, but no decision has been taken at the present time. If it should turn out that some of our responsibilities were turned over to other departments of government at some time in the future, I do not think it would effect the number of personnel required to any great extent.

Mr. Simpson: As a supplementary question, could the minister assure the house that if such changes are contemplated ample information will be forthcoming so that those who are affected will know as soon as possible, and so that the people in this northern community will have some way to judge what the economy is going to be for the coming winter and next spring?

Mr. Hellyer: Yes, I would be pleased to give that assurance. We will give the maximum amount of warning in most cases.

REPORTED ASSISTANCE FROM PENTAGON TO REORGANIZE DEPARTMENTAL AFFAIRS

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of National Defence. Reports emanating from Washington over the week end quoted the minister as saying that it was his intention to borrow some staff from the Pentagon to assist in reorganizing the military affairs of his department. I wonder whether the minister could tell us whether he was accurately quoted.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I certainly did not see any such report, but I would be very interested to see such a report because I made no such statement.

VAL D'OR, QUE.—POSSIBLE ESTABLISHMENT OF NUCLEAR BASE

On the orders of the day:

[*Translation*]

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

About twelve days ago, in answer to a question of mine, we were told that under the Canada-United States agreement on nuclear weapons no new base would be established in Canada. I would like to know now whether it is true that the Minister of National Defence is considering the setting up of a nuclear base at Val d'Or, in the riding of Villeneuve.

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): That is one of the ones we have been looking at, Mr. Speaker.

HOUSE OF COMMONS

PRIVILEGES AND ELECTIONS COMMITTEE—REPORT IN BOTH LANGUAGES

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, could I ask a question of the Secretary of State? Could the minister inform us when the report of the privileges and elections committee will be submitted to the house for approval, disapproval or revision?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I think if the hon. member for Lapointe had had time to read what I said

on Friday night when the house rose he would have observed that I said that if the proceedings in both official languages could be printed in time for the opening of the sitting today, they would be tabled today. Unfortunately, although the translators were working all night, and although the printers are working very hard, it has not been possible to have this document ready. I am assured that, barring some accident, they will be ready in plenty of time for the opening of the house tomorrow; and if the proceedings are available—as the hon. member knows, the report of the committee is already before the house—I have been advised by my hon. friend from Hull of his intention of moving concurrence in the report.

[*Translation*]

Mr. Gregoire: A supplementary question, Mr. Speaker. Can the Secretary of State tell the house whether the report is now ready and printed in one of the two official languages of the country? If so, in which one?

[*Text*]

Mr. Pickersgill: Well, as the hon. member knows, the report has been on the table, I think for nearly a week, and has been printed in *Votes and Proceedings* in both languages. It is not a question of the report but of the proceedings, and I am told that because of the very large demand that is occasioned by proceedings of this kind upon the services of the translators into both languages—because the proceedings were carried on in both languages the translation had to go on both ways—and because of the problems of printing, particularly over a holiday week end when, apart from the House of Commons, people do not normally work, it will not be possible to have them ready until tomorrow.

[*Later:*]

[*Translation*]

Mr. Gregoire: Mr. Speaker, I rise on a question of privilege. A while ago I asked the Secretary of State which of the two reports was not ready, the English or the French one. Now I have here with me the English report of the committee on privileges and elections, while the one in French is not yet ready.

I am under the impression that, for some time now, for the past several months, the French translation or the French edition have always been coming in late.

Last week we had to adjourn our meeting and interrupt the business of the committee on privileges and elections because there were no interpreters or French reporters available.

My question of privilege is this. I find such a situation absolutely abnormal, especially in the Canadian parliament. Now, if we are to have real bilingualism, we must go to the expense of enlarging the personnel as far as translation, reporting and interpretation are concerned. In my view, that question of privilege is a most important one which the Secretary of State should take into consideration immediately to make sure that, in future, those services are adequately staffed.

[*Text*]

Mr. Pickersgill: Mr. Speaker, the point raised by the hon. gentleman is an important one. When I said that I understood the reports were available in both languages, I think it will be found from an examination of the record that I said my understanding was that they had been printed in *Votes and Proceedings* when the reports were made to the house. I have not examined the French copy of *Votes and Proceedings* to see whether in fact these reports were so printed, but if there is any doubt about it I would hope that those two reports could be inserted into today's *Votes and Proceedings*. I am told that they are printed—

Mr. Gregoire: Mr. Speaker—

Mr. Pickersgill: Perhaps I may be allowed to complete what I have to say before the hon. gentleman interrupts.

Mr. Gregoire: That is not what I am talking about.

Mr. Pickersgill: I am talking about the two reports made by the committee on privileges and elections of this house which were tabled by my hon. friend from Hull and which, I am now assured by one of my colleagues, was printed in *Votes and Proceedings*, which is the only official record of the transactions of this house. The fact that the proceedings of the committee are not yet available in both languages is something about which I express regret. I am very sorry about it and every effort is being made to make them available on time. But as far as the reports are concerned, I find that my original statement was correct. The two reports made to this house were printed in both languages in *Votes and Proceedings*.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I was not talking about the report published in the *Votes and Proceedings* of the House of Commons, but rather about the verbatim report of the

committee's discussions. I think that the Secretary of State should not try to elude the question as he has been doing since the beginning.

I was talking about the report of the committee itself, that is the minutes taken during the discussions, and even if it is not an official publication, it is still a government publication. And I notice that it is always the French publications which are late.

Besides, the question of privilege was to the effect that a large enough personnel should be set up so that there will not always be delays in the French translations or publications of the committees or the House of Commons discussions.

[*Text*]

Mr. Pickersgill: I suggest that the hon. gentleman is wholly out of order. He is talking about the proceedings of a committee of this house. The matter should be taken up in that committee and the time of this house should not be occupied with it.

EXTERNAL AFFAIRS

CARIBBEAN—INQUIRY AS TO REQUESTS FOR ANTIBIOTICS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the very sympathetic and understanding minister of health and welfare. In view of reports of serious epidemics in the Caribbean countries as a result of the recent disastrous hurricane, would the minister inform the house whether the government has received any request from any of the Caribbean countries to supply antibiotics?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, no such request was received up until 2.30 today, but I shall advise my hon. friend and the house if any such request is received.

CUBA—INCLUSION AMONG COUNTRIES TO RECEIVE AID

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Secretary of State for External Affairs based on the newspaper reports that appeared yesterday and today of the serious devastation that has taken place on the island of Cuba. I wonder whether the Secretary of State for External Affairs can tell us if the government is considering including Cuba among the other Caribbean countries to which Canada is extending aid.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, a full assessment of the situation is being made, and perhaps later I can reply to that question more specifically.

INQUIRY AS TO STEPS TO CREATE ATLANTIC COMMUNITY

On the orders of the day:

Mr. H. F. Jones (Saskatoon): Mr. Speaker, I wonder whether the Prime Minister could let the house know when he expects to be in a position to announce the steps he intends to take to initiate his plan for the creation of an Atlantic community, as advertised during the recent campaign.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I think the policies of this government with respect to the creation and development of an Atlantic community are not such that an answer to a question like that can be given on orders of the day. When we have a debate on external affairs, which in fact may take place in a few minutes, we can go into this question.

Mr. Jones: Mr. Speaker, I think the Prime Minister misunderstood my question. I asked him when he would expect to be in a position to announce the course he intends to follow in this regard. My question was not a contentious one; it was an inquiry as to when he expects to be in a position to announce the course he intends to follow.

Mr. Pearson: Mr. Speaker, we have been pursuing this matter for a good many years on both sides of the house, and since this government has been in office it has been following that course. But it will be some time before any announcement can be made on the matter.

CANADIAN NATIONAL RAILWAYS

REPRESENTATIONS RESPECTING MASTER AGENCY PLAN

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I wish to address a question to the Minister of Transport, notice of which I sent to his office. Has the Minister of Transport given any consideration to the strong representations of the railroad telegraphers not to implement the C.N.R.'s master agency plan, which would leave many small communities without the essential service of a station agent, and eventually to railroad abandonment?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I have given consideration to the submission made by the organization referred to, however, I do not necessarily agree

with the general remarks of the hon. member in the latter part of his question. I have also sent the brief on for consideration by the management of the railway, and it is receiving quite close attention.

OTTAWA—REQUEST FOR TRANSLATION OF FRENCH SIGN

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to ask a question of the Minister of Transport occasioned by the rising interest in bilingualism. I wonder whether the minister would take the step of contacting the management of the Canadian National Railways to see whether the railway company would write an equivalent sign, which now appears in French, in English at its office at Metcalfe and Sparks streets so that everyone can understand.

INCOME TAX

QUEBEC—REQUEST FOR SPECIFIC EXEMPTION FOR CHARITABLE DONATIONS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Does the government intend to comply with the request of the St. Jean Baptiste societies of Quebec and other citizens, and grant a 10 per cent deduction for charities, instead of requiring receipts when filing income tax returns?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have no particular knowledge of that matter at this particular moment or that any such intention is in our minds, but I will be glad to look into the question.

LABOUR RELATIONS

GREAT LAKES—COMPLIANCE WITH LAW BY SHIPPING COMPANIES

On the orders of the day:

Mr. T. S. Barnett (Comox-Alberni): Mr. Speaker, I have a question for the Prime Minister. Now that the house has dealt with the legislation setting up a trusteeship over the maritime unions, I would like to know what plans the government has for ensuring that the shipping companies on the great lakes will in future operate as law abiding, respectable Canadian business firms.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is surely not a question that I could be expected to answer on the orders of the day.

Inquiries of the Ministry

WHITE PASS AND YUKON RAILROAD—EFFORTS TO SETTLE STRIKE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a question for the Minister of Labour. Has he received any further report from his officials concerning the labour difficulties confronting the White Pass and Yukon route, tying up that part of the railway and the ancillary shipping operation connected with it?

Hon. A. J. MacEachen (Minister of Labour): No, Mr. Speaker.

SUGGESTED PROTECTION OF UNIONS AGAINST MANAGEMENT CHANGES

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): I should like to ask the Minister of Labour a question about which I gave him informal notice. It has to do with the brief which was received some months ago from the national legislative committee of the railway brotherhoods regarding a request that the Industrial Relations and Disputes Investigation Act should be amended in order to provide that unions during their contract period might have some protection against changes introduced by management. I should like to ask the minister whether he has replied to these representations and, if not, if he would give us an explanation of the delay.

Hon. A. J. MacEachen (Minister of Labour): I thank the hon. member for having given me informal notice of this question. There is an important matter of policy involved in this reply. I will check into it further and give the hon. member a full answer later.

POWER

PEACE RIVER—APPLICATION FOR CONSTRUCTION OF DAM

On the orders of the day:

Mr. G. W. Baldwin (Peace River): Mr. Speaker, I would like to ask the Minister of Justice whether he can answer the question I asked him the other day in a situation the urgency of which I think is sharpened by the fact that I understand the waters of the Peace river are now being diverted. The people of the country are anxious to know whether the river, which was plied by large ships 50 years ago, is still to be regarded as a navigable water.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, the hon. member was good enough to remind me of this question some time last week. I have the reply to his question here and it is as follows. The advice I

have received is to the effect that the works in question are included in the class of works to which the Navigable Waters Protection Act applies. The position has always been taken by the Department of Public Works that the Navigable Waters Protection Act applies to a provincial government or an agency thereof.

Mr. Baldwin: I have a supplementary question to the Minister of Public Works or the Minister of Justice. Is any action being contemplated by the government, in view of what appears to be the failure of the British Columbia government or its agency to observe the terms of this act?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I will have to take this question as notice, and I will answer it within the next few days.

QUEBEC—REACTION TO ANNOUNCEMENT RESPECTING NATIONAL GRID

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I wish to direct a question to the Prime Minister.

Can he tell us if the Quebec premier, Mr. Jean Lesage, or his government, has made representations to him or his government against the establishment of a national power grid, as referred to last week by the Minister of Trade and Commerce?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): I do not know anything about the announcement, Mr. Speaker, nor do I know anything about any representations received. However, I shall be glad to look into it.

TRANSPORT

FAILURE OF "EMPRESS OF CANADA" TO DOCK AT QUEBEC

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask a direct question to the Minister of Transport. On Friday the minister interrupted the proceedings of the house to announce that arrangements had been made with the longshoremen's union for the docking of the *Empress of Canada* at Quebec and for the disembarkation of her passengers. I wonder whether the minister would care to tell us why this was not carried out, and why it was necessary for the *Empress of Canada* to go to Halifax.

[Mr. Chevrier.]

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, it was not necessary for the *Empress of Canada* to go to Halifax. Why it was directed there I do not know.

Some hon. Members: Hear, hear.

[*Later:*]

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Minister of Transport a question concerning the *Empress of Canada*. Did the Minister of Transport receive a communication from Mr. Crump asking for a guarantee that the passengers from that boat would be landed safely at the port of disembarkation that was chosen, and did he reply that no such guarantee would be given?

Mr. McIlraith: Mr. Speaker, a request was received from the president of Canadian Pacific Railways for a guarantee, not precisely in the terms indicated by the hon. member. I would want to check the precise terms of that request. It was in a form to which no police force in the world could ever accede. In any event, the usual arrangements were made for the ship to disembark passengers at Wolfe's cove on Friday afternoon. Those arrangements were of a type that are usual in this kind of situation, where the passengers disembark in the ordinary way and bring off what hand luggage they can carry. The other heavy luggage that requires handling by longshoremen is not brought off and passengers are not permitted to embark; that is, new passengers. That was the kind of arrangement made. There were to be five inspectors representing the labour unions involved who were to be permitted on national harbours board property to see that the arrangement was not violated in any way.

[*Later:*]

Mr. Churchill: Mr. Speaker, I have a question for the Prime Minister which arises out of the failure of the Minister of Transport to give an appropriate answer, and it has to do with information received by the Prime Minister concerning the difficulties of disembarking passengers from the *Empress of Canada* on Wednesday, October 9. The Prime Minister was informed that passengers were prevented from disembarking by a group which swarmed over federal property. He was asked why the right of Canadian citizens to land in Canada was denied by the failure of the federal government to prevent the intimidation of peaceful citizens. I should like to know why the protection required for these Canadian citizens was not provided by the federal government.

Right Hon. L. B. Pearson (Prime Minister): Perhaps the best thing to do would be to table the correspondence between myself, the Minister of Transport and the president of the Canadian Pacific Railway on this matter, which I think will give my hon. friend the information he desires.

[*Later:*]

Mr. Churchill: Mr. Speaker, my question to the Prime Minister is very short. He said a few minutes ago that perhaps the correspondence between himself and the president of the C.P.R. should be tabled. Will he assure us that it will be tabled at the earliest possible moment?

Mr. Pearson: I will certainly look into the correspondence. If it is marked personal and confidential by the president I shall have to get his permission to table it, and I will be glad to ask for that permission if it is required.

Mr. Churchill: Well, it is required.

NORTH SYDNEY-NEWFOUNDLAND—INQUIRY AS TO SECOND FERRY

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question to the Minister of Transport. Could the minister give an explanation as to why he has not made an announcement regarding the east coast ferry for Newfoundland, in the light of undertakings he had given that such an announcement would be made in September?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I hope to be able to make an announcement on that subject very shortly. It is a matter of regret to me that it was not made in September, but I hope to be able to do it very shortly.

UNEMPLOYMENT INSURANCE

QUEBEC—REPORTED REFUSAL OF BENEFITS TO WORKER

On the orders of the day:

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I wish to direct an urgent question to the Minister of Labour. That question concerns hundreds of people faced with a similar problem. Could the minister tell the house whether he received a letter from Mr. Richard Hachey, 2102 Vauquelin st., Montreal, protesting against the stand of the unemployment insurance commission in Montreal which has denied him the benefits to which he is entitled.

[*Text*]

Mr. Speaker: Order. This is a question for the order paper.

EXTENSION OF BENEFITS TO WORKERS IN U.S.

On the orders of the day:

[*Translation*]

Mr. Charles-Eugene Dionne (Kamouraska): Mr. Speaker, I should like to direct a question to the Minister of Labour.

As agreements already exist between the Canadian and American governments for the application of the Unemployment Insurance Act in 47 states, could the minister tell the house what the reasons are for the delay in finding a solution to the problem concerning the sharing of benefits under this same act for Canadians working in the four remaining American states which have not as yet entered into an agreement?

[*Text*]

Mr. Speaker: Order. This is surely a question for the order paper.

QUEBEC—REPORTED PROTEST RESPECTING UNEQUAL TREATMENT OF PROVINCIAL EMPLOYEES

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, I should like to put a question to the Prime Minister.

Following certain statements made by the premier of a province on a network of television stations, could the Prime Minister inform the house whether the Quebec premier made representations to the government to the effect that the province of Quebec had to refuse a deal that was discriminatory compared to the one made with the other provinces regarding unemployment insurance for provincial civil servants?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have had no such protest.

FISHERIES

APPREHENSION OF SPANISH TRAWLERS OFF NEWFOUNDLAND

On the orders of the day:

Mr. Richard Cashin (St. John's West): Mr. Speaker, I would like to address a question to the Minister of Fisheries. Can the minister inform the house what action, if any, has been taken as a result of the apprehension of two Spanish trawlers within Canadian territorial waters of Trepassey bay in the district of St. John's West?

Inquiries of the Ministry

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, in fact on Thursday last the fisheries patrol boat *Cape Friel* apprehended two Spanish trawlers found fishing for cod and other groundfish inside the territorial waters in Trepassey bay, Newfoundland. The two trawlers were ordered to proceed to St. John's, where they have been detained and where normal charges will be laid and court hearings will take place later on this week.

NORTH PACIFIC TREATY—MEETING OF NEGOTIATORS AND ADVISORY COMMITTEE

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Fisheries concerning the north Pacific treaty. Will the Canadian negotiators meet with their advisory committee before they resume negotiations with Japan and the United States?

Hon. H. J. Robichaud (Minister of Fisheries): Mr. Speaker, while I am not in a position to give a definite reply to this question, I can advise the hon. member that there will be a meeting in Vancouver in November and the advisory committee will be consulted on that occasion.

BUSINESS OF THE HOUSE

CONSIDERATION OF LEGISLATION RESPECTING NEW AGRICULTURE MINISTER

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I wish to direct a question to the Prime Minister. In view of agricultural conditions in eastern Canada, could the Prime Minister tell the house when he intends to submit his resolution concerning the appointment of a minister of agriculture for eastern Canada?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have had this question addressed to me several times, and I know the interest of my hon. friend and other hon. members in this matter. We will proceed with it as soon as it is possible. There are two or three pieces of legislation which certainly have priority over this matter, for obvious reasons, including the income tax resolutions. When they are completed I hope we will be able to go ahead with this legislation.

[Mr. Cashin.]

LEGISLATION TO ESTABLISH INDIAN CLAIMS COMMISSION

On the orders of the day:

Mr. Frank Howard (Skeena): I should like to ask the Minister of Citizenship and Immigration when he expects to introduce a resolution or bill concerning the Indian claims commission, which he indicated earlier this year would be introduced before the end of the year.

Hon. Guy Favreau (Minister of Citizenship and Immigration): I can only repeat what I said earlier and what my hon. friend has just referred to, Mr. Speaker, that the bill will definitely be presented before the end of this year. This the government has undertaken to do, and it will be done. I cannot say whether it will be at the end of November or early December. There are still quite a few representations to receive from hon. members and from interested parties, but the hon. member may be sure that the promise which was made will be kept.

Mr. Howard: May I ask a supplementary question which is based on a statement I believe the minister made, namely that representations were still to be received from interested parties, including members. If my understanding is correct, and the government feels that it has to receive representations, did the government solicit any representations, or how does the minister determine that he has to receive them?

Mr. Favreau: I believe that the statements made in this house concerning the ultimate date of the presentation of the bill and other announcements made to Indian representatives constitute a sufficient appeal for representations. No formal appeal has been made, I admit, but I believe those who are sincerely interested, like my hon. friend, will eventually formulate the representations they want to make.

ROYAL CANADIAN MOUNTED POLICE

REQUEST FOR FRENCH INSIGNIA ON UNIFORMS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Justice.

Is it the minister's intention to have sewn on the sleeves of the members of the Royal Canadian Mounted Police, a French translation of the words "Royal Canadian Mounted Police"?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I should like to take this as notice and I shall give an answer as soon as possible.

Mr. Pigeon: Mr. Speaker, I rise on a point of order. This question, in my opinion, is easy to answer and if both languages are official in this country the answer should be in the affirmative.

TRADE

REQUEST FOR TREATIES IN BOTH LANGUAGES

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce, but, in his absence, I will put it to the hon. member for Drummond-Arthabaska.

Would the Minister of Trade and Commerce, or his parliamentary secretary, inform the house if, from now on, our trade agreement with foreign countries will be prepared first in the two official languages of Canada, and then in the language of the interested country, because otherwise it is insulting to French speaking Canadians, as is the case with the Canada-Bulgaria agreement which, apparently was written in English and Bulgarian only, according to the minister's statement on October 10 last?

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, may I assure the hon. member for Chicoutimi that I will personally look into this matter.

[*Text*]

UNITED NATIONS

SOUTH AFRICA—CANADIAN POSITION RESPECTING MULTIRACIAL SOCIETY

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. In view of the action of Canada last week in voting for the resolution at the United Nations condemning apartheid in South Africa, an action with which we all agree, can the minister say whether Canada is now associating herself with Norway, Sweden, Denmark, Finland and Iceland in trying to find a basis for establishing a multiracial society with equal rights for all, in South Africa?

Hon. Paul Martin (Secretary of State for External Affairs): The Canadian delegation at the United Nations is doing everything it can to bring about an improvement in the situation in South Africa in so far as apartheid is concerned. We have been in consultation with a number of delegations toward this end.

Inquiries of the Ministry

NORTHERN AFFAIRS

OIL AND GAS LEASES—REQUEST FOR STATEMENT ON SALE

On the orders of the day:

Mr. Erik Nielsen (Yukon): I should like to ask the minister of northern affairs if he has a statement to make to the house concerning the substantial sale of oil and gas leases held last Friday afternoon. Will he table the details of those sales?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Not today, Mr. Speaker, but I hope to make a statement tomorrow, a very encouraging statement indeed.

TRANS-CANADA AIR LINES

WINNIPEG—TRANSFER OF OVERHAUL AND MAINTENANCE BASE

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, can the Prime Minister tell the house what reply he made to Premier Roblin's telegram, reported in the press over the week end, asking for a public inquiry into matters relating to the proposed transfer of T.C.A. facilities from Winnipeg to Montreal?

Right Hon. L. B. Pearson (Prime Minister): I do not believe I received a telegram from Premier Roblin. I received a letter from him last Friday about this matter, and that letter is now under consideration. I hope to be in communication with Premier Roblin about it very shortly.

CONSTRUCTION IN CANADA OF NEW PLANES TO BE ACQUIRED

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to put a question to the Minister of Transport. Since France is to equip its Potez aircraft with turbo-prop engines manufactured by Pratt and Whitney, of Longueuil, will Canada be sporting enough in return to enter an agreement in order that Caravelle aircraft be manufactured in Montreal by Canadair for T.C.A.?

[*Text*]

Mr. Speaker: This is surely a question for the order paper.

DEFENCE PRODUCTION

CARIBOU AIRCRAFT—INQUIRY AS TO RESTORATION OF CANCELLED U.S. ORDER

On the orders of the day:

Mr. H. Russell MacEwan (Pictou): Mr. Speaker, my question is to the Minister of

National Defence. I wonder whether the minister could advise the house as to talks he had with his counterpart in the United States regarding the possibility of restoring the order for Caribou planes, which has been cancelled.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I had a brief discussion with the secretary on that subject, and this will be followed up by the visit of my colleague the Minister of Defence Production later this week.

SHIPPING

ATLANTIC AREA—REPORTED DISCONTINUANCE OF NAVIGATION CHAIN

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): Some days ago I directed a question to the Minister of Transport with regard to the discontinuance of the Decca navigation chain on parts of the Atlantic coast. I wonder whether the hon. gentleman is now in a position to reply.

Hon. G. J. McIlraith (Minister of Transport): Yes, I am glad to be able to advise the hon. member that the original west Newfoundland chain was a temporary chain installed by a private company for a particular exercise and for demonstration of the system. A large Decca coverage system is now being provided by the government, and this chain has been relocated for marine purposes to provide optimum coverage in the Cabot strait and consists of stations at Port aux Basques, Grindstone island and Antigonish.

Construction is complete and the permanent facility is on test during the monitoring period, which will continue for approximately six to eight weeks and which is required to adjust and confirm that the patterns correspond to those calculated theoretically.

FINANCE

LUMBER—REPRESENTATIONS BY MARITIME BUREAU

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I should like to address a question to the Minister of Finance and ask him what consideration and reply have been given to the representations made by Mr. C. H. Sproule, secretary, on behalf of the maritime lumber bureau in a communication to the minister recently.

Hon. Walter L. Gordon (Minister of Finance): I shall be glad to look into that and advise the hon. member.

Mr. Muir (Cape Breton North and Victoria): I wish to address a supplementary question to the Minister of Finance. Possibly I should make it a question of privilege. May I say that I was advised only a few days ago by the hon. gentleman's parliamentary secretary that the Minister of Finance had considered the representations and replied to Mr. Sproule in a letter dated September 26. In view of that information the answer I received today from the hon. gentleman was not very enlightening. How are we to get replies to these questions?

Mr. Speaker: I am afraid we have to accept the answer given by the Minister of Finance.

SUPPLY

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

FEED GRAIN FOR EASTERN CANADA AND B.C.

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, it is my purpose today during this second supply motion of the present parliament to put in a word or two on behalf of 100,000 Canadian families who exist at what can only be described as a slum level. My intention is to describe what the situation is and then, in a positive, constructive way, to indicate the general direction in which we should move to help these people in their plight.

I therefore move, seconded by my hon. friend from Nicolet-Yamaska (Mr. Vincent):

> That all the words after "that" be deleted and the following substituted therefor:
>
> This house regrets the failure of the government to take effective action in regard to eastern agriculture and in particular with respect to feed grain for eastern Canada and for British Columbia so as to provide:
>
> 1. Stability of Canadian supply and price.
> 2. Opportunity for expansion of eastern production of feed grain.

I think the question period today indicated to the country just where this government sits in relation to the importance of agriculture in the national scheme of things. Since this administration took office on April 22 it has given away a bit of our sovereignty in connection with the defence of our country; it has allowed our sovereignty to be attacked in fiscal policy as well as, more recently, in labour policy; and, in the last two weeks, even in agriculture. Yet when I asked the Prime Minister if he had been in touch with the President on Saturday and raised this important matter of the attacks made on us in respect of the agreement between ourselves and the United States with regard to wheat sales, he said in effect that he was occupied with more important things than the subject of agriculture.

This is not an isolated case. The hon. member for Lake St. John asked the right hon.

gentleman when he intended to bring in the bill concerning the two ministers of agriculture, and his answer was that this would be done when the house had got through other, more important business, or words to that effect. This attitude overlooks the fact that 100,000 farm families in Canada, mostly in eastern Ontario and Quebec and the maritimes, are living at levels which, if they existed in our big cities such as Vancouver, Winnipeg, Toronto or Montreal, would be considered as slums. If these slums existed in our big cities the entire resources of our nation, federal, provincial and municipal as well as private, would be brought to bear so as to eliminate or improve them.

We must face the fact here in Canada that this house, as presently constituted, and the people who report the news from this house do not really care about these 100,000 families. All one has to do is take a look at the press gallery at the present moment. All one has to do is take a look at the government side—

Mr. Pickersgill: Take a look at your own side.

Mr. Hamilton: If we do this we will realize that neither by legislation nor by administrative action is this government doing anything to tell the story of these people or improve their conditions.

My remarks today will be along the theme that any party which hopes to remain the government of this country or to become the government of this country must realize that there is more than just one group of people in the country. Five or six years ago our national strength was being weakened. Because the maritimes were falling behind the national level of living, because the prairies had fallen behind the national level of living, as a result the government changed in 1957.

Now we come to the situation in 1963, with the old government returned and having no apparent awareness that there are anomalies in the living conditions of the Canadian people. I intend to show, Mr. Speaker, that this knowledge is available to the government and they are not doing a thing about it.

First of all, this country cannot remain strong if some segments of the economy or some areas are weakened. As I said a moment ago, that was demonstrated in the 1957 and 1958 campaigns when whole sections of the country which were not traditionally Conservative changed and elected a Conservative government. The same situation is with us today. We made certain efforts to improve the situation, but those efforts are now being abandoned. This country cannot maintain and build up its present position if agriculture goes back to the conditions that existed before 1957.

On the subject of national unity there is a great deal of talk about our cultural and language relationships. This is all good and fine, but we cannot overlook economic relationships. I wish to say very bluntly that unless we realize the structural unity of Canada as a whole, both geographically and by occupation, there cannot be strength in our economy. For example, during the last four years we sold western grain in export markets, and this immediately took the pressure off the livestock and poultry industries. Prices rose to a point where eastern farmers could come in and take up the production that was abandoned by western farmers. As a result farm income in all sections of country has risen in the last three or four years, but not equally.

I intend to put on the record farm income figures to show just what the situation has been in Canada over the last 10 years. I begin with the year 1954 for three very good reasons. This was the end of the construction period in Europe and Asia after the war. This was the end of the Korean war. This was the beginning of competitive markets for agriculture all over the world. I am also going to use realized net income figures, and the reason is simple. Realized net income is what is left after the farmer has subtracted from his gross income his cost of production and depreciation on his buildings and machinery. The result is what is left the farmers' pocket, and that is called realized net income. I am not going to use net income figures because they are purely statistical figures of use only to bookkeepers and accountants and those who keep statistics. They are completely meaningless from the point of view of showing the situation of the farmer. At this time I should like to ask permission of the house to place on *Hansard* the realized net income figures per farm by regions from 1954 to 1962.

Mr. Speaker: Does the house give permission?

Some hon. Members: Agreed.

[*Translation*]

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, I object to the tabling of that document, thus getting back at the hon. member for Qu'Appelle (Mr. Hamilton) for what he did to me last year.

[*Text*]

Mr. Speaker: Is there objection in the house to the tabling of these figures?

Eastern Agricultural Policy Lacking

Mr. Pickersgill: I think, sir, that notwithstanding any precedents we would want to accord this courtesy to the hon. gentleman.

[*Editor's note: The table referred to above is as follows:*]

Realized Net Income Per Farm, Canada, By Regions 1954-62

Year	"Maritime" Region	Que.	Ont.	"Prairie" Region	B.C.	Canada
1954	929	1,671	2,102	2,111	2,033	1,899
1955	884	1,786	2,301	1,831	1,925	1,852
1956	1,040	1,516	2,141	2,779	2,092	2,162
1957	1,027	1,594	2,288	2,604	2,293	2,161
1958	1,138	1,770	2,641	3,335	2,539	2,620
1959	1,134	1,762	2,442	3,066	2,440	2,465
1960	1,411	1,802	2,698	3,150	2,678	2,618
1961	1,107	1,946	2,629	3,536	2,831	2,799
1962	980	1,880	2,570	3,900	3,400	2,945

Mr. Hamilton: These figures are taken from the dominion bureau of statistics, and when they are examined in *Hansard* it will be found that realized net farm income in Canada as a whole from 1954 to 1962 was as follows: 1954, $1,899; 1955, $1,852; 1956, $2,162; 1957, $2,161. In that period the average was slightly over $2,000 per year per farm. In 1958 the figure moved up a little to $2,620; in 1959 it was $2,465; in 1960, $2,618; in 1961, $2,799 and in 1962, $2,945. This year it is going ahead at the rate of about 6 per cent. That gives an average across the country of about $2,700 in the last five years, or an increase in the national average from $2,000 in the period 1954 to 1957 to $2,700 in the period 1958 to 1962.

But when you examine the figures for regions you get an altogether different story. Listen to these figures for the maritime region: 1954, $929; 1955, $884; 1956, $1,040; 1957, $1,027; 1958, $1,138; 1959, $1,134; 1960, $1,411. In 1961 the figure dropped to $1,107 and in 1962 it continued downward to $980.

This is my point. If there are any maritime members in the house at the moment I am sure they will agree this indicates that a definite regional policy should be evolved and put forward in the house to help the people in the maritimes meet the problem of declining income.

An hon. Member: Why didn't you?

Mr. Hamilton: I will come to that and deal with it very clearly. There are some members from Quebec in the house, and here are the figures for that province. From 1954 to 1957 the average was around $1,600 a year. In the period from 1958 to 1962 the figure moved up to around $1,800 and in one year went as high as $1,900, but the figure is not moving up at the same rate as the average for Canada.

Ontario is slightly below the average. The figure rose from $2,100 in 1954 to $2,570 in 1962, a gain of approximately $400 per year per farm during that 10 year period.

Years ago the farmers of the prairie region used to have realized net incomes of approximately $3,400 or $3,500. By 1955 that figure had declined to $1,831 per farm. This means that in 1955 realized net income per farm on the prairies was roughly half what it had been a few years before. This is one reason why there was a big change in political allegiance there. With another government in power subsequent to that time farm income on the prairies increased steadily until 1962, when the average was $3,900 per farm or almost double in a period of six or seven years.

In British Columbia the figure in 1954 was $2,033 per farm and by last year it had climbed to $3,400. This is a very nice increase, but in summary my point is this. If you look at the realized net income figures per farm across Canada you will see that the national average is going up. There is a steady growth in British Columbia, and the farmers of the prairie provinces have almost doubled their income in that period. Ontario has had a steady growth, though a little slower than it should be. Quebec has barely increased above a static level. There has been a very small increase per year. In the maritimes, however, the figure has been declining.

I give these figures as a starting point to show how in working out policies you have to look at the income by regions. The prairies were away down in 1955 and 1956 but have now risen to their highest level. So we have an up and down type of income picture. But

you cannot take income figures as the sole criterion. What you have to do is examine the amount of investment, and on this score the eastern farmers are being treated unjustly from the point of view of income. Even on this score there is injustice being carried on so far as the income of eastern farmers is concerned.

Once again, Mr. Speaker, I want to ask permission to insert a table in *Hansard* so that it may form part of my speech.

Mr. Speaker: Does the house agree?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

Value of Farm Capital Per Farm in Canada, by Region, 1954 to 1961

Region	1954	1955	1956	1957	1958	1959	1960	1961
Maritime region	6,720	6,992	7,632	7,966	8,721	9,537	9,805	14,633
Quebec	11,166	11,402	12,243	12,810	14,124	15,224	16,283	18,606
Ontario	18,023	19,102	19,487	20,937	23,613	25,990	26,911	28,579
Prairie region	20,341	21,177	21,459	22,244	24,300	25,644	27,535	27,430
British Columbia	17,150	18,128	18,218	19,693	21,627	24,031	25,405	27,626
Canada	16,335	17,051	17,591	18,490	20,416	21,959	23,263	25,120

Mr. Hamilton: This table, Mr. Speaker, shows that with regard to the question of investment per farm, the prairies had a tremendous investment back in 1954. At that time it was over $20,000 per farm and increased steadily until 1961 when it had risen to $27,000 plus per farm. But, sir, take a look at the maritimes. In 1954 they had investment per farm of $6,720, and by 1961 it had more than doubled to $14,633. In plain terms this simply means that in spite of the tremendous efforts by maritime farmers to increase their investment in order to get increased production income, they have more than doubled their investment in eight years; yet their income, as an aggregate, has continued to decline. In Quebec the figure per farm in 1954 was $11,166, and it increased to $18,606 in 1961. The returns on that investment are not commensurate.

Now, this is my point. In Ontario investment per farm increased from 1954, when it was $18,023, to $28,579 in 1961, and I submit that the income figures I quoted earlier do not increase to the value of the investment that they have put into their farms. I have already given the figures for the prairies. Their investment was big at the start, but it is no longer the largest, because now investment per farm in Ontario is bigger.

In British Columbia investment per farm in 1954 was $17,150, and it has now jumped to $27,626. Here is the evidence that the farmers in the maritimes, Quebec, British Columbia and Ontario are all increasing their capital investment, but there has not been the same measure of increase in their income.

When I speak about Ontario I want to be very clear. I realize that the income advance in good farming counties in Ontario has been just as spectacular as with prairie farms, but in great areas of Ontario, along the Ottawa valley, the clay belt and the western peninsula, farm income is not moving up, and in these counties one can see today that half the farms are abandoned. One can drive right out from Ottawa and see that half the farms are abandoned in these historic counties; and this is even more true on the Quebec side.

Mr. Speaker, there is a third table I would like to give the house which deals with off-farm income, and one has to look at this to get the true picture. Once again I would ask the house to let me place this table in as part of my remarks.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

Eastern Agricultural Policy Lacking

Realized Net Income per Farm of Farm Operators from Farming 1958 and 1961, Farm Operators Income and Farm Family Income per Farm Operator, 1958 from Sources Other than Farming.

Region	Realized net income per farm of farm operators from farming*		Farm operator income per farm operator from sources other than farming†	Farm family income per farm operator from sources other than farming†
	1958	1961		
Maritimes	1,115	1,094	933	1,461
Que.	1,730	1,946	891	1,356
Ont.	2,666	2,629	1,161	1,733
Prairies	3,334	3,412	665	888
B.C.	2,507	2,831	1,671	2,155
Canada*	2,620	2,797	903	1,302

* Derived from aggregate estimates published in Farm Net Income, 1961. Agriculture division, d.b.s., Ottawa.

† Derived from aggregate estimates published in the 1958 farm survey report No. 1. Agriculture division, d.b.s., Ottawa, Nov. 1962.

Mr. Hamilton: Mr. Speaker, this table tries to estimate the amount of off-farm income on the basis of a report by the agricultural division of d.b.s., Ottawa, dated 1961, and on estimates published in the 1958 farm survey report of the d.b.s. agricultural division dated November, 1962. I am just going to read the figures rapidly, because the table will be more complete and give the breakdown.

In the maritimes in 1958 the farm family income per farm from sources other than farming—to which you should add the other figure I have quoted—was $1,461. If you recall the figures which I gave previously you will realize this means that the average for the maritimes is roughly $1,000 a year realized net income from farming, and you have to add to that this figure of $1,461. In other words more than half the income of the maritime farmers came from off-farm employment. One cannot live on $1,000 a year and therefore the whole family has to go out and do other work.

In Quebec the figure for off-farm income per family was $1,356 in 1958, and you have to add to that the figure which I quoted for Quebec for 1962 which was $1,880, to get the total income.

In Ontario the average farm family income from off-farm sources was $1,733, and if you add that to the Ontario figure which I gave earlier, you get the very substantial sum of $4,200 or $4,300.

The prairies, of course, do not have these opportunities and the average income per farm from off-farm sources was only $888. In British Columbia, however, this income was exceptional. Apparently they have very good opportunities and the average there was $2,155. The average for Canada as a whole was $1,302 per farm per year.

[Mr. Speaker.]

I put this table on the record, not to emphasize it but to show that if a government is going to draw policy out of these figures it has to know there is a great variation in income. If you put all these three tables together, region by region, it is very clear that the problem areas of Canada are eastern Ontario, Quebec, and the maritime provinces, and it is not right that these people should be doomed to continuing declining income because a government fails to realize that these people are Canadians and need equal treatment with farmers in other parts of Canada.

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

Mr. Hamilton: Yes.

Mr. Roxburgh: I think we all realize these figures. In fact we have known of those figures since 1958 to 1963, and I am just wondering what the hon. gentleman and his government did during that time to raise those figures, and if he has any ideas how to do it?

Mr. Hamilton: Mr. Speaker, that very question illustrates my point in such vivid terms that it makes the rest of my speech almost meaningless. Here we have a member of parliament who has been elected by a constituency, who holds forth in his constituency as a man worthy of sitting in this house, and he does not even know what the previous government did over six years. He does not even know that for the first time in Canadian history the government of the day stood up and announced on August 30, 1958, a national agricultural policy for Canada. He does not even know what the points in that agricultural policy are.

Mr. Roxburgh: We know the results.

Mr. Hamilton: Yes, we know the results too. Across Canada, in the farm areas where they read the farm papers, the people showed the results in June, 1962 and April of 1963. They showed where they stood in every province.

I am going to list the points in the national farm policy announced by the then prime minister on August 30, 1958. First there was a policy of accelerated sales, and if any person has not heard about accelerated sales of farm products in the last few months he must be dead and buried. Then as No. 2 there was a flexible support policy to stabilize prices; No. 3, crop insurance to stabilize income; No. 4, a modern system of farm credit; No. 5, a multiple resources use policy; No. 6, an agricultural rehabilitation and development act, which is the ARDA program, and the 7th was a regional program for areas not benefiting completely from the national program.

It is my point here that when we introduced the acreage payments in 1958, that was a regional policy to help western Canada, because at that time farmers there had a very low level of income. In fact farm incomes were just about half what they were a few years before. The other provinces do not go up and down in income as drastically as we do in western Canada. That regional policy was put into effect where it was most needed, and it has shown results. I am suggesting that the income figures I have given show that there has to be a regional policy to help those areas of Canada which need help. I refer to eastern Ontario, Quebec and the maritimes, because the income figures of those areas show trouble.

This is the motion before the house, that we regret the government has not done anything about this problem. We say this house regrets the failure of the government to take effective action in regard to eastern agriculture. This is what the motion of condemnation covers.

What happened? In 1962, as the minister responsible for agriculture I made speeches in this house and all across the country in every province saying that western farm income was beginning to rise and that we had the green light ahead in our sales of grain for export. I said this would bring a rise in livestock prices all across Canada. Therefore I asked the support of western farmers in 1962; I asked them to support my concentrating my attention as minister on the problems of eastern agriculture.

An hon. Member: And you got it.

Mr. Hamilton: Most of those constituencies, 43 out of 48, gave us their support last April. I made the same speech throughout the counties of Ontario; and particularly in western Ontario, if you look at the results in the farm areas, you will see that we gained two seats from the Liberals and a larger percentage of votes.

An hon. Member: Politics.

Mr. Hamilton: Politics, yes, my friend; but the country must know what the farmers think. The only way we can know what they think is through the way they vote. What was my repayment? The Secretary of State (Mr. Pickersgill) is not in his place now, but he stood up at a farm meeting in Prince Edward Island and said to those farmers of Prince Edward Island, "You do not want a western minister of agriculture, do you? This man they have now is from the west. He is no good for the east". At the time he was making that speech in Prince Edward Island Liberal candidates and supporters in the west were saying the minister was going up and down the country asking for a vote of confidence to put in a regional program to help those areas in the east which were falling down in agricultural income. This is national unity, Liberal style.

Some hon. Members: Shame.

Mr. Winkler: Divide and rule.

Mr. Hamilton: Hon. members have asked, what did the previous Conservative government do? Look at those income figures. Income figures up across Canada as a whole, after they slid down in 1954; income figures in the west up almost double; income figures in Ontario up; up in Quebec. But as I pointed out when quoting these figures, they were down in the maritimes and in the provinces of Quebec and Ontario, they were not satisfactory. Hon. members opposite may say, what did the previous government do about this regional difficulty. Let us accept the fact that the farmers realized the government in power from 1957 to 1962 was the first government that had shown a real interest in their problems and had made a concentrated, fundamental attack on their problems. They knew this was just a start, and they showed it when they had an opportunity of showing it in 1962 and 1963.

I have mentioned the national agricultural program which was part of the 1962 campaign. I made our party's position clear, that we asked for support from all parts of Canada to concentrate on a regional program to help eastern agriculture. It was we, the government, bringing this situation to the minds of the people. Listen to this. If we go back and look at the speech from the throne in September, 1962, what do we find in it?

Mr. Pigeon: An empty speech in 1963.

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Mr. Hamilton: This was 1962.

An hon. Member: That was your own.

Mr. Hamilton: In that speech from the throne we see these words:

> My ministers recognize that livestock is occupying a position of increasing importance in Canadian agriculture. They propose that a program be instituted to ensure the availability of storage facilities and continuity of supplies of feed grain to match the expanding requirements for livestock production, particularly in the areas of British Columbia and eastern Canada where supplies of feed grain are normally deficient.

That was the clearcut declaration of our intention in the speech from the throne in September, 1962. In October, 1962, to show that we realized what was the basic cause of the trouble, we held here in Ottawa the national conference on agricultural education to back up the multi-million dollar program we had in vocational training. We brought in representatives of all the provinces, their agricultural ministers and educational people, to see whether we could not in a co-operative fashion work out an educational program in these rural areas which would get at the basic weaknesses of these low income areas. As I say, this was done in October, 1962, and the hon. member opposite has asked, what did we do. He was much too busy going up and down this country preaching fraud, saying that the country was going downhill economically, when it was not; saying that the pegging of the dollar at 92½ cents would ruin the country and force prices up, when it would not; saying that we had lost the confidence of our friends the Americans. Boy, would he like to make that speech today.

Some hon. Members: Hear, hear.

Mr. Hamilton: I have to say it, Mr. Speaker; the election campaign of the Liberal party in 1962 and 1963 was based on fraud.

Some hon. Members: Hear, hear.

Mr. Hamilton: That language is not understood back in the places where I speak occasionally. I tell them that the Liberal party campaign in 1962 and 1963 was based on a lie. They understand that. There was no decline of the economic level of this country: it was going up. The devaluation of the dollar to 92½ cents was the best thing that ever happened to industry and farming alike in this country.

Some hon. Members: Hear, hear.

Mr. Hamilton: And the worst thing that ever happened was the election of the Pearson team. They have made a mess of things, if any government ever made a mess of things. If they had not been so arrogant by saying, as they said in this house when they sat on this side of the chamber, "We have all the answers", the mess they have made of things would perhaps not be so obvious. But they said, "We have all the answers"—father, son and Liberal party.

An hon. Member: There is just a father over there; no son.

Mr. Hamilton: They do not like what I say, Mr. Speaker, because they know in their hearts that no government elected on fraud, no government elected on a lie, is going to stay long in office.

Some hon. Members: Hear, hear.

Mr. Hamilton: They know that their great strongholds of Quebec and Saskatchewan are now slipping. In fact I think they have slipped already in Saskatchewan. Let me tell you what else they did. After that speech from the throne when we outlined our program, we introduced on the order paper of this house an eastern feed grain and assistance bill. They joined with their cohorts from the Social Credit and C.C.F. parties in voting our government out of office, a government that was going to do something for the eastern farmers. They made sure there was no opportunity for our government to do anything constructive from September to February. When they talk about a responsible opposition I would ask them to go back and examine what happened between September and February of last year. What a disgrace on the escutcheon of a once great party.

Some hon. Members: Oh, oh.

Mr. Hamilton: I can tell from the reaction, Mr. Speaker, that my speech is striking home. What does this government do? They knew the facts about the situation in eastern Canada as well as we did; they knew the facts of what I call the very depressed areas. In 1963 we went out and campaigned to be given a chance to put this policy into effect. In 1957 and 1958 we campaigned on a national program for agriculture. We did put it into effect and it helped agriculture. The farmers were grateful, as their votes showed. But we could not be complacent with this program when three quarters of the farmers were doing all right and the other quarter were going downhill. That is why in 1963 we thought the policy about which I have been speaking should be implemented. What did the Liberal party do in 1963? They went into western Canada and told the western farmer, "Do not bother with this man's policy to help eastern Canada; go for $2 per bushel of wheat and $1 for the first 300 bushels for domestic wheat products." They held this out like a great big bribe. What

have they done to date? They sit there silent because they know this is one of the tangible lies that was told.

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

Mr. Hamilton: I am just getting in good form, Mr. Speaker, and I shall take questions at the end of my remarks.

This Liberal party went into eastern Canada in 1963 and said: We are giving you a policy in connection with western grain prices that will hurt you, but we are going to give you something that will be the answer to all your problems. We are going to give you two ministers of agriculture. We are even going to make it better, because we are going to take away some of his duties and give them to the Minister of Trade and Commerce. Then, we will divide the duties of the Minister of Agriculture in half.

When I talk about very tough conditions down here, the minister sits in his seat and knows what I say is true. He knows that at my instigation, as minister of agriculture, in January of 1963 I asked each of the five eastern provinces, excluding Newfoundland, if they would pick areas in their provinces—they could pick any area they liked—and we would put trained people in there to conduct a very deep survey, a survey in depth as the experts call it. Ontario named five areas. Quebec named ten areas; Prince Edward Island, one area; Nova Scotia, three areas and New Brunswick, three areas. I do not intend to ask the minister to produce that report because a scandal like that is bad enough at any time, even in the secret archives of the department.

I know what that report says because I kept in close contact with the interim report. I know enough, from what has been made public by the department, to give to this House of Commons some of the figures that report contained. First of all, in order to get the background material, I am going to give you a report from the census of Canada, 1961. I am going to ask permission, Mr. Speaker, not to table this document at this time because I am going to use it in my speech. However, at the end of my speech I should like permission to have it printed in *Hansard*.

Mr. Speaker: Has the hon. member permission?

Some hon. Members: Agreed.

[*Editor's note: The tables above referred to are as follows:*]

Table 1.—Commercial Farms Classified by Value of Products Sold, by Province, 1961*

Province	Number of Farms	Value of Products Sold $1200-2499	$2500-4999	$5000-9999	$10,000 plus
		—per cent—			
Nfld.	456	38*	25	17	20
P.E.I.	4,530	36*	37	20	7
N.S.	4,939	39*	29	19	13
N.B.	5,116	40*	29	19	12
Que.	62,497	38*	37	19	6
Ont.	90,345	23	29	27	21
Man.	33,522	27	36	27	10
Sask.	82,285	23	36	30	11
Alta.	58,698	23	33	27	17
B.C.	10,902	25	27	23	25
Canada†	353,290	27	33	26	14

*Source: Census of Canada.
† Excl. Yukon and Northwest Territories.

Mr. Hamilton: The report is the census of 1961, and this table is entitled "commercial farms classified by value of products sold, by provinces." It does not include the Yukon or the Northwest Territories. In Newfoundland 38 per cent of the farms have a gross income from the value of products sold of less than $2,500; in Prince Edward Island, 36 per cent; in Nova Scotia, 39 per cent; in New Brunswick, 20 per cent and in Quebec, 38 per cent. In so far as the rest of Canada is concerned, this income runs from 23 per cent to 27 per cent.

What does this mean? First of all, they do not consider a farm commercial until it earns $1,200. The report indicates that 25 per cent of the farmers across Canada earned less than $1,200 from their farms. This table only deals with those farms that earned above $1,200. Out of those above $1,200 in Quebec

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and the maritimes, 40 per cent of those so-called commercial farms earned incomes of less than $2,500, out of which the farmer had to pay depreciation, salaries and wages of those people working on the farms, taxes and all the other operating costs. As I say, 40 per cent of the so-called commercial farms in Quebec and the maritimes did not even earn $2,500.

If you consider the figures for those farms earning $10,000 or more, you find that Newfoundland—I do not think I should quote that figure because it is out of proportion to the others—had 20 per cent; 7 per cent in Prince Edward Island; 13 per cent in Nova Scotia; 12 per cent in New Brunswick; 6 per cent in Quebec. This tells you where the weakness is. In Ontario there was 21 per cent over $10,000; Manitoba, 10 per cent; Saskatchewan, 11 per cent; Alberta, 17 per cent and British Columbia, 25 per cent. You will see that, actually, in so far as big farmers are concerned, the prairie provinces have less than Ontario, British Columbia, Nova Scotia, Newfoundland or New Brunswick. When hon. members see these figures on *Hansard*, I ask them to think about them. They indicate that even when you take the top 75 per cent of farmers of Canada, in the eastern areas, Quebec and the maritimes, 43 per cent of them only earn $2,500 a year or less.

I am quoting now from tables published in a speech delivered at Banff school of fine arts to the Agricultural Institute of Canada convention from June 17 to 20, 1963, by the assistant deputy minister of agriculture. The next table relates to the age and education characteristics by income groups of selected farm families in eastern Canada. This table is contained in the report to which I referred a minute ago. I ask the Minister of Agriculture if he is aware of these figures. These figures show the level of education of the farm operator and his children in Ontario, Quebec, Nova Scotia and Prince Edward Island. They indicate possible policies that should be adopted.

I am still referring to this same farm survey, and the next table I should like to put on the record indicates the training in addition to school grades completed, by income groups. I should like to have permission again, Mr. Speaker, if I may to put this table on the record when I have completed my speech.

Mr. Speaker: Is the house agreed?

Some hon. Members: Agreed.

[*Editor's note: The tables above referred to are as follows:*]

Table 2.—Age and Education Characteristics by Income Groups of Selected Farm Families in Eastern Canada, 1962 (preliminary data)

Value of Total Sales of Farm Products by Province	Farm Families		Average Age of Operator	Average Years of Schooling			Average No. Children per Family
				Operator	Wife	Adult Children	
	No.	%	Yrs.				
Ontario							
Under $2,500	50	33	52	7.5	8.9	9.7	2.8
$2,500-4,999	56	38	49	7.9	9.2	10.5	3.2
$5,000 plus	43	29	46	8.7	9.3	10.3	3.3
All groups	149	100	49	8.0	9.2	10.2	3.1
Quebec							
Under $2,500	145	50	48	5.7	6.5	7.5	5.7
$2,500-4,999	99	34	45	5.9	6.9	7.5	5.2
$5,000 plus	47	16	44	6.6	7.0	8.4	5.7
All groups	291	100	46	5.9	6.7	7.6	5.5
New Brunswick							
Under $2,500	27	32	51	6.5	8.4	8.6	4.7
$2,500-4,999	32	38	50	7.0	9.0	9.8	3.8
$5,000 plus	26	30	49	7.6	9.3	10.7	4.4
All groups	85	100	50	7.0	8.9	9.6	4.3

Value of Total Sales of Farm Products by Province	Farm Families		Average Age of Operator	Average Years of Schooling			Average No. Children per Family
				Operator	Wife	Adult Children	
	No.	%	Yrs.				
Nova Scotia							
Under $2,500	39	44	51	8.6	9.8	10.2	3.2
$2,500-4,999	21	24	49	9.8	10.4	10.6	3.1
$5,000 plus	28	32	51	9.4	10.3	10.6	3.4
All groups	88	100	51	9.0	10.1	10.4	3.2
Prince Edward Island							
Under $2,500	13	43	50	7.8	9.5	10.7	3.3
$2,500-4,999	9	30	48	7.8	9.2	11.3	4.0
$5,000 plus	8	27	44	9.0	10.0	10.5	3.6
All groups	30	100	48	8.2	9.5	10.8	3.7

Table 3.—Training in Addition to School Grades Completed, by Income Groups, Selected Farm Families in Eastern Canada, 1962 (preliminary data.)

Value of Total Sales of Farm Products by Province	Operators		Wives		Adult Children[1]	
	Total Number	Per Cent with Training	Total Number	Per Cent with Training	Total Number	Per Cent with Training
Ontario						
Under $2,500	50	8.0	37	10.8	67	28.4
$2,500-4,999	56	8.9	52	32.7	70	44.3
$5,000 plus	43	7.0	41	24.4	50	54.0
All groups	149	8.1	130	23.8	187	41.2
Quebec						
Under $2,500	145	2.1	133	2.3	426	11.5
$2,500-4,999	99	8.8	96	8.3	206	15.5
$5,000 plus	47	6.4	43	9.3	103	35.0
All groups	291	4.8	272	5.5	735	15.9
New Brunswick						
Under $2,500	27	11.1	22	22.7	56	16.1
$2,500-4,999	32	12.5	30	26.7	54	35.2
$5,000 plus	26	7.7	23	21.7	50	42.0
All groups	85	10.6	75	24.0	160	30.6
Nova Scotia						
Under $2,500	39	10.3	30	26.7	59	23.7
$2,500-4,999	21	4.8	18	33.3	27	48.1
$5,000 plus	28	17.9	25	40.0	49	40.8
All groups	88	11.4	73	32.9	135	34.8
Prince Edward Island						
Under $2,500	13	15.4	10	0	22	50.0
$2,500-4,999	9	33.3	9	22.2	7	85.7
$5,000 plus	8	12.5	6	50.0	6	33.3
All groups	30	20.0	25	20.0	35	54.3

[1] Children who had concluded their schooling.

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Mr. Hamilton: Thank you very much, Mr. Speaker.

I should like to come now to the conclusion to be drawn from this report. Figures are meaningless unless you put them into human relationship, and I am going to try to put these figures into human relationship. I refer to the table covering the 660 farms surveyed last January. Referring to the group receiving $2,500 or under for sales of farm products, we find that 43 per cent of the families in these five provinces had a total income per farm, which includes off-farm income from all members of the family, of $2,800 or less. If I may repeat, 43 per cent of the farmers in Quebec, the maritimes and eastern Ontario have an income of $2,800 including all the income from the school teacher, the husband driving the bus, the children cutting trees in the bush, maple syrup and everything else. When you think of the average number of children involved, this means, in effect, that 10, 12 or 13 Canadians are trying to live on a total income of $2,800 or less on each of these farms.

I maintain that there is a slum condition here. I maintain that the government has not tackled the problem or shown any sign of tackling the problem. Of the 43 per cent of farmers surveyed, whose main interest is farming, according to their own statements, and 53 per cent of their income comes from the farm and 33 per cent from off-farm sources, and 14 per cent from social payments. These are the people about whom I am talking. These conditions exist all across Canada but most important, so far as members are concerned, in eastern Ontario, the clay belt and in Quebec and the maritimes.

Now, I have laboured here in the hope that by putting these figures on the record I could get the house in a mood to consider possible courses of action. If you look at those people not on the commercial farms and try to visualize a farmer making $600 or $700 a year cash off the farm, he has anything from five to ten youngsters ranging in ages from five to six years up to 40 years of age. They are on the farm, and if they leave and go to the cities they will be unemployed. So they do not dare leave the farm, because when they are at home they at least eat. The common joke in certain parts of New Brunswick when I was down there was that "N.B." means "no breakfast" instead of "New Brunswick".

I have seen these farms and been on them. Mr. Speaker, you cannot help them by the ordinary price support legislation, by farm credit or crop insurance, or by selling things abroad, because they have very little to sell. Their fundamental problem is twofold. First of all, they lack an educational base. By "education" I do not mean the formal education of learning to read and write and to add and subtract; I am talking simply about a knowledge of agriculture. Many farmers all across Canada in this category have no knowledge, for example, of what a few dollars worth of fertilizer will do with an acre of land. If you want some figures, in one of these provinces where you now have five to six acres to handle one animal for grazing you can handle over one animal per acre by using fertilizer. Or, to put it another way, $15 worth of fertilizer on an acre of land in a worn-out pasture in eastern Canada will produce $90 to $100 worth more beef. This is the type of legislation about which I am talking. They have never heard of these fertilizers and they certainly do not know of any program by either the federal or provincial governments designed to help them. I can give other examples of the most abysmal ignorance of these farmers concerning the assistance available to them now.

This is not a matter, Mr. Speaker, of being either Conservative or Liberal.

Mr. Beer: May I ask the hon. gentleman a question?

Mr. Hamilton: Well, I was hoping to finish this one part. It is not a question of being Conservative or Liberal at all. This is a question of these facts being available to the government. They were available to us and we started to move on them. They are now available to this government, but it has done nothing tangible about it. This question of education is the number one difficulty. You can talk to the premiers of Quebec, New Brunswick, Nova Scotia, Newfoundland or Ontario and they will be understanding about these things. But this is a problem which has to be faced by all Canadians, because there are over 100,000 farm families in Canada living under conditions which are a national disgrace.

As I said, Mr. Speaker, education is the first matter. The second is sociological. If the minister looks at these reports he will find, apart from lack of education and lack of training after they finish school, that these people have one thing in common, whether they live in Ontario, Quebec or the maritimes. They fear banks. They fear government credit. They fear credit, period. There is a sociological problem here which has to be met, and we have to bring some sociological attention to these problems to find out the techniques required. We can get many of these farmers to realize that if the government have done certain things for them it is not a sin to use those things which the

government have done for them. These things have to be done to implement educational and sociological programs, and we cannot wait five years.

This condition has been gradually accumulating year after year. I think I made it known probably in the fall of 1961. I tried all through the summer of 1962 to get programs worked out. I finally got a program worked out which I called the eastern feed grain and assistance bill, but although it was introduced in the house we never had time to proceed with it. I am not going to say anything more about it, but I should like to ask what this government has done. This government is going to put in two ministers of agriculture. I do not intend to say anything about that, but I do intend to read to the house what was put out as a press statement on August 22, 1963, by the present government, entitled "Feed grain policy". It says:

Mr. Hays stated that the government will request authority of parliament for a broadened feed grain policy to replace the present policy of freight assistance on western feed grains.

This is the third week we have been back in the house, Mr. Speaker, and there is no sign of anything like that appearing on the order paper.

Second:

The new policy will provide for the payment of accrued storage charges on western feed grain in licensed eastern elevators during the period October 15 to April 15.

Today is October 14, and so far nothing has appeared. Their 60 days of decision so frightened the government that they are paralyzed with fear. They now have one more day in which to move, but there is nothing on the order paper.

Third:

—the Canadian wheat board has decided to institute at once a provisional pricing system for oats and barley moved from the lakehead to eastern elevators.

Without going into the details of what a provisional pricing policy is, I pointed out to the Minister of Trade and Commerce (Mr. Sharp) a week ago last Friday that the provisional pricing policy was not working, and for two good reasons. One was that with this tremendous export demand there is no incentive to move that grain eastwards because the rates for moving it eastwards are better for export purposes than those rates applying to movements of grain for Canadian consumption. Second, the storage rates are better if you store grain for export rather than for domestic use. In spite of that I have not heard of any meeting yet with the board of grain commissioners to discuss this vital fact, and all this information is available. This is the type of thing which was before me last spring.

Now, what about this eastern market? According to this press release, projections of future requirements indicate that 120 million bushels will be required by 1970, and 150 million by 1975. The present average use is about 85 million bushels of western feed grains. We have the largest market in the world for western feed grain in British Columbia and eastern Canada. This figure of 85 million bushels is a rough figure. In 1970, which is only six years away, it will go up to 120 million, and in 1975, which is only about 12 years away, it will go up to 150 million. And those figures are conservative figures, Mr. Speaker. Here we have a possible market of 150 million bushels. What other country in the world takes as much in an average year? And this is a steady market. The action of the government in announcing their intention on August 22 of doing something but doing nothing is reason for all members of all parties in the opposition to stand together and vote no confidence in this government.

Just to show, Mr. Speaker, the practical results of not putting this policy into effect, a week ago Friday I read a wire to the house received from the head of the maritime co-op, Mr. W. D. Dernier. I should like to read the first sentence again.

Following protest sent government on behalf domestic feeders "vigorously protest discrimination by Canadian wheat board not allowing domestic market to purchase any feeding grades wheat except immediate use. Now price advanced five and one eighth cents since Monday representing along with increase in water freight rates hundreds of thousands of dollars extra cost to domestic feeders. Captive domestic market treated unfairly in relation to export sales. If CWB uncertain over available grades for feed some provision for purchase at price levels prevailing early September should have been made.

That wire is a cry for help from the maritimes, the most sorely hit area in Canada. If you look at the costs of eastern agriculture you will find that 25 per cent of all the money spent by eastern farmers is spent on the purchase of feed grain. What we must do is to reduce these costs and increase the farmer's realized net income.

What have this government done about that? They issued a statement saying that they were going to do three things. Two of these things have not been done, as far as we have heard in this house or in the public press. This government stands petrified before the prospect of doing anything. This cry for help from the maritimes can be heard from every feeding area in Quebec. Where do the members of the Social Credit party stand on this issue? Do they intend to stand

up and help keep this government in power—a government which allows the prices of feed grain to rise, though they know the Conservative government, when in power, had a policy to deal with this situation? The present government says it will pay storage charges at the elevators if the brokers will take it there. But no one is taking it down, and the prices are rising. The Chinese can go into the offices of the Canadian wheat board in Winnipeg and buy grain for six months for a single price. They can have a stabilized price. The Russians bought over 200 million bushels of wheat and wheat flour at a fixed price for ten and a half months. The Japanese bought wheat for eight months at a fixed price. Even the British bought wheat at a fixed price.

But who is helping the eastern feeders to get grain at a fixed price? Certain hon. members will have the chance to show their constituents tomorrow whether they want these prices to go up and down, or whether they want a stabilized price, such as we were prepared to introduce and in respect of which we had a measure on the order paper last February.

I said also, in the course of the campaign in western Canada, that eastern farmers needed something comparable to the wheat board to look after their interests. Who is looking after the interests of the eastern feeders? Certainly, it is not the brokers in Montreal. Certainly, it is not this government. But the hon. members most affected by this problem must decide for themselves. I turn, for example, to the hon. member for Lake St. John (Mr. Lessard). He comes from a promising agricultural area which could achieve a tremendous increased income if a co-ordinated program for livestock and poultry rearing were introduced there. But there are certain things which must be available as a prerequisite, and among them is a supply of feed grain at a stable price, at a cost which would put the area on terms of competitive equality with the other feeding areas. We had pledged ourselves to achieve this result. I ask hon. members this: is the statement of intention which has been made on the part of this government likely to help the eastern provinces in developing along the lines I have indicated? I suggest it will do the reverse. The policy announced by the present government has done nothing to meet the situation. We suggested that the government should step in and set up an organization to look after the interests of the eastern farmers, in short to do the same for the eastern farmers as the Canadian wheat board does for the farmers of the west. We intended to use the services of a government board in co-operation with private enterprise so as to produce a system which would result in a stable price for grain, a price which would not vary whether one lived in Bruce county, Lake St. John or Sydney. This was our policy. It is still our policy. While hon. gentlemen opposite have been talking, the price has been going up. It has gone up five cents already, and it will go up a lot more. Wait until the ice comes, and hon. members will see what happens to the price.

I have tried to set before this house something of the background of the great need among many of the farmers of eastern Canada—not all these farmers, but the 25 per cent who are in a very degraded position, the 25 per cent whose income from the farm is less than $1,200 or whose income from all sources is less than $2,800. Let us remember that in Quebec and the maritime provinces 43 per cent of the farmers live under these conditions. When we were in power we were grappling with this problem but we were thrown out of office by the big city vote. Now I ask these representatives of the big city voters to consider these people of whom I have been speaking as Canadians—to get off dead centre, to get the ship under way and do something for them.

I wish to conclude by saying that the series of statements I have made about eastern feed grain applies to many other segments of agriculture in eastern Canada. The dairy industry is a subject in itself. The dairy industry is a basic branch of agriculture. This is not a platitude. It is the background of integrated agriculture in Canada. That industry is not in serious trouble as yet, but it is heading that way. Not only does the solution require co-operation between the federal government and the provincial governments, particularly those of Quebec, Ontario and the maritimes, but it requires international co-operation as well. One of my colleagues will be speaking later on the dairy industry. I should like to leave with the minister the thought that the difficulties of that industry might be solved by getting Ontario and Quebec to agree with the federal government on a joint program, after an intensive study of the situation in Europe and the United States, two areas where there have been long-standing surpluses of dairy products. I think there is a type of co-operation which, if it were followed, might produce a solution to our difficulties.

I made a speech on this subject a few weeks ago in which I put forward a series of suggestions as to how this might be done by co-operation between Canada and the United States. I could, of course, go on to deal with this subject at great length but I think I have said enough to convince all

hon. members that a problem does exist and that, regardless of party, an attack must be made on the causes of the present situation. We cannot merely sit back and say that, on the average, farm income is rising. The figure for average income does not give a true picture of what is happening in these areas of eastern Canada. It is true that income is going up very well in some parts of Canada, but I think all hon. members should co-operate during this session of parliament to make sure that any policies which are brought forward are concentrated on the vital problems of eastern agriculture.

Hon. Harry W. Hays (Minister of Agriculture): This is the first opportunity I have had since April 8 to express my views in connection with agriculture. I have listened with a great deal of interest to what the former minister had to say this afternoon. Believe me, I think he is just talking a lot of junk.

Some hon. Members: Oh.

Mr. Hays: The hon. member has been right across Canada talking, yelling and hollering about the condition of agriculture. I have travelled in something like 32 different countries in the world and I feel that I know a little bit about agriculture. Until three years ago I owned and supervised a farm where 125 cows were milked, and I would challenge the former minister to come out to the central experimental farm with me because he cannot even milk a cow. Nor would he know how deep to put in a drill to sow an acre of wheat. Nor would he be able to plow a straight furrow.

It takes a little more, Mr. Speaker, than just looking at statistics. Statistics are for the losers. You can pump them in here, there and everywhere and I do not think they mean very much if things are pretty good. I believe that in the last six months we have done a great deal more for agriculture than has been done for many years, by the improvement of some of our old programs such as feed grain assistance, which was started in the year 1941, and many other programs that were Liberal policies to begin with, but have had their names changed.

I want to refer to an article in the London *Free Press* of September 28, 1963, a newspaper that has not always been on our side. It has this to say with regard to farm cash income:

> Farmers' cash income from farming operations reached a record $1,449,700,000 in the first half of 1963, the dominion bureau of statistics estimated today. It was 5.8 per cent above the figure for the first half of 1962.
>
> The estimate includes income for the cash sale of crops, Canadian wheat board participation payments on the previous year's grain crop, net cash advances on farm stored grains in western Canada and deficiency payments. No allowance was made for production costs incurred by farmers. Biggest factors in the increase were higher sales of wheat, coarse grains, potatoes, poultry products and cattle.
>
> Increases in cash income were reported in all provinces except Alberta where cash receipts were 1 per cent below the 1962 first half. The Ontario total was $476,431,000, compared with $448,920,000 last year.

With respect to feed grains, we have a feed grain policy which I think will be most acceptable to the eastern farmers. I might say that not long after I was made Minister of Agriculture I attended a meeting with all the ministers of agriculture in Canada. We discussed many of the problems that were plaguing various provinces and Canada as a whole, so far as agriculture was concerned. I agree with the previous speaker that possibly Quebec has a problem. I spent two and a half days with the minister of agriculture of Quebec. We sat down with his officials and our officials and discussed many of their problems. He was quite familiar with the feed grain policy which we proposed and which we hope we can get through parliament soon. He thought it was an excellent program and that it would do a great deal to help them.

I might say that this program will pay grain storage costs. It will also put grain in location. I am happy to report to the house now that we have more grain in stock for eastern feed people than there was last year. I might read some of the figures so that the house will be familiar with the situation. These are figures as to grain stocks in various positions as at the end of September this year and last year. At Fort William-Port Arthur we had last year 5.9 million bushels of oats in stock and we have 13.5 million this year. In barley we had 5.7 million last year and this year we have 10.5 million. In eastern terminal elevators oat stocks were 17 million bushels last year and this year they are 37 million. Barley stocks last year were 19 million and this year they are 38 million.

So you can see we are sitting on top of this problem. We knew we were going to have this problem when the wheat board was able to sell such a big amount of wheat to Russia. We realized we would have to keep these grains on spot. I might also advise that last year feed grains were 81 million bushels and this year they will be up 10 per cent, so this is another increase.

We are taking a good look at the problems of the eastern farmers. You will be interested to know that right across Canada the price of milk is higher than it was a year ago and that the price of cheese is higher than it was a year ago. I want to say a word about the price of cattle. Starting in June of this year our own consumption of beef was 16 per

cent higher in the two top grades than it had ever been in Canada's history. This increase must have been caused by a very buoyant economy and full employment. Whenever we had 18,000 head of reds and blues in Canada in previous years we went into the export market. Since June 16 we have been consuming almost 22,000 head of reds and blues per week and we have not gone into the export market yet. In other words, all things being equal, our cattle are a higher price than in the United States and we are eating them.

The hon. member said something about acreage payments. I know there were three acreage payments made and they were $200 a farm. A fat lot of good that is to a farmer in western Canada who has a $50,000 investment. In looking at the matter I can see no sound reason for giving this amount of money, having regard to the amount of good it would do the farmer. The thing that the farmers of the west want is empty bins. We were happy and pleased when we were able to sell wheat to China and we were also happy and pleased when we were able to sell wheat to Russia.

I have farmed in eastern Canada and I have farmed in western Canada, and I know what the problems of the western farmer are. I have lain awake at night wondering how certain problems could be resolved. The most important problem facing farmers today is the high capital cost of machinery. This is the thing that needs to be examined more than any other facet of agriculture. In order to devise something, we are going to need everybody's help. I have discussed the matter with the farmers union and the federation of agriculture. I have discussed it with all the provincial ministers of agriculture. I have discussed it with seven ministers of agriculture in Europe, and said that it seemed to me this was one of the problems we must resolve.

If we are going to have the family farm we must have some sort of rental deal whereby the farmer will be able to rent the machinery he needs when he has good crops. This is the most important thing so far as the farmer is concerned. The cost of machinery is what is killing the family farm. The family farm is a most important way of life and it is most important to the consumers of Canada. You only have to go to Russia and see their system and the terrific problems they are having with production, and you will realize that the family farm is number one in importance.

The second most important thing that the farmers need in Canada today is proper facilities, to be able to finance their farms in order to convert them into proper economic units. The Farm Credit Corporation is very good, but it does not go far enough and the lid should be taken right off. How can you tie down the farmers in western Canada or eastern Canada to $20,000 or $27,000 today when they need $25,000 or $40,000? When I was in Holland they were selling land in the polders to the farmers because they think it will give them the pride of ownership and will help the production of grain and so on. The government of Holland is doing it on a 60 year basis at an interest rate of around 3 per cent so that the land can be handed from one generation to the next. This is one of our big problems.

Our third big problem is crop disasters and taking care of the farmers when they are hailed out, dried out, blown out or frozen out. This is most important, and these are three programs which we must examine carefully. To say that the dairy farmer is not in trouble is not correct. He is in more trouble than any other type of farmer and it will require all our efforts to solve his problem.

In 1958 the previous government raised the price of butter from 58 cents to 64 cents per pound, and now we are subsidizing it at both ends, 12 cents to the consumer and a great deal to the producer. We cannot live with that sort of thing and we must think of some different way to help the dairy farmer.

Our agricultural policy has been put together, spot by spot, ever since 1935. If things went wrong in the maritimes we dumped some money over there, and that was the pattern all across the country. We have to take a long look at our agricultural policy from the Pacific coast to the Atlantic coast.

The previous speaker quoted a lot of statistics but they do not give the true story. The dairy farmer needs help and we must give it to him. The sooner we do it the better, but how can we do it when we waste so much time in this house? The first thing we should do is take a long look at the operation of the dominion government and the way we operate in this house. I have never seen such a waste of time. It is just fantastic. These are the first things we ought to be examining.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, if I might depart from the topic which has been under discussion, I would like to remind the house that today is Thanksgiving day. We all have very much to be thankful for in this great nation, even though we cannot always be thankful for the words spoken in this house. It is well we pause to recognize the fact that we have much to be thankful for in Canada.

Eastern Agricultural Policy Lacking

When I picked up the Montreal *Gazette* this morning I was much impressed with the leading editorial, and I would like the privilege of putting part of it on the record. It says:

At this time of the year—the season of Thanksgiving—many another country of the world used to look towards Canada as a land blessed beyond other lands.

But it is not so that the world today looks upon Canada. People in other nations are wondering what has happened to Canada, what has gone wrong. It has become a country whose hesitations have fragmented its own parliament. It is a country, despite its prosperity, that keeps questioning its future. It is a country full of quarrels and harshness, frantic boasts and foolish words, a country that struggles and sighs, and wonders and doubts.

What, then, has gone wrong, that a country with so much to be thankful for has none the less taken away the picture of strength and good fortune that it once had abroad, and has replaced it by one of dissatisfaction and fret?

Further along in the editorial it says:

The trouble with Canada today is that it may be slipping into the morbid determination to make the worst of all things; and, having made the worst, to look with dark calm upon the most desperate eventualities. What may be fading away is the constructive spirit, the will to build, the desire to save.

These are good words for us to think of here today.

Never has there been reason for any man to suspend Thanksgiving because the times were hard. Rather, he thanked God, took his courage in both hands, and went forward in faith. True thanksgiving has always been the offering of thanks for the hard task that demanded the best that any man had to give. The pioneer, for all his toil and trouble, was a thankful man.

But this may be the heritage that is in danger: the tradition of giving thanks and taking courage. Because we falter in the courage, we fumble in the thanksgiving.

And so the extreme words beget the extreme response. Doubt finds its echo in an answering doubt. Hardness of heart turns other hearts as hard. The narrow view contracts the corresponding vision. The danger is that we may be making a community of doubt, pooling our hesitations, sharing our want of faith.

On such a day as this the giving of thanks searches out the heart of a country and tests its quality. For true thansksgiving can never be a passive thing. It is not the utterance of a static mind. It is the living worship of God by those who are moving forward, with faith and vision, to the way ahead, hoping for better things.

Out of fullness of vision, courtesy of words, and with the wise admission that even faults have two sides, they are resolved to build and not to destroy, to seek and not to give up the search, to hear and not to close the mind.

Nothing in such a country could be so foolish as despair. No people have had greater opportunities laid out before them. This is as near as any land in history to being the Promised Land, a land to which the old biblical words would apply:

"For the Lord thy God bringeth thee into a good land, a land of brooks of water, of fountains and depths that spring out of the valleys and hills; a land of wheat and barley... a land wherein thou shalt eat bread without scarceness, thou shalt not lack any thing in it; a land whose stones are iron, and out of whose hills thou mayest dig brass."

In such a land, and with such a people, the way must be found to share more fully the great endowment. And the way must be found to share also the inner enrichment that comes through understanding. We have every need and reason to be thankful, for an unhesitating thanksgiving would release creative faith, and make the future worthy of the present.

Mr. Churchill: What were you reading from?

Mr. Thompson: I identified it at the outset. It is today's leading editorial in the Montreal *Gazette*.

Mr. Speaker, having listened this afternoon to the speech of the former minister of agriculture, and thinking back over the years that have elapsed since 1957-58, we find a strange paradox in our midst. Here is a man condemning a government that has been in office approximately six months for conditions which relate to, as he said, 100,000 families in eastern Canada, in conditions that certainly are not those in which Canadians should be living today. This man is placing the blame upon the new government when actually he, and the government of which he was a member, should have done something about those conditions in the years they were in office.

I do not say that in support of the Liberal government, but the fact remains that the conditions he describes so aptly and ably exist because agricultural policies during the last four or five years were totally inadequate to meet the needs of the eastern farmers. To stand up as he has done today, and try to convince the house that it should throw out this government because of his own failure of action, is something that is just a little bit beyond understanding. Eastern farmers, particularly those in Quebec and the maritimes, would never have turned their backs on the previous government had they been satisfied that its policies were adequate to meet their needs.

So far as the farmers' conditions in eastern Canada are concerned, they are totally inadequate for this day and age, particularly considering the tremendous wealth we have in Canada. What we need, and we need it urgently, is a new agricultural policy which will put these people on their feet, which will provide the markets they need, which will put into their pockets the incomes they must have in a way that will not be mere handouts or subsidies and will allow this basic industry—and it is still the basic industry of Canada—to stand on its own feet. I am convinced that the conditions about which the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), talked so glibly, might I say, exist simply because the federal government has not done for the

farmer that which should have been done. The hon. member spoke about a bill on the order paper and says it was put there to remedy some of these problems. But I would ask, why did he delay putting that bill on the order paper until his government had been defeated. That is what happened.

Mr. Pickersgill: Mr. Speaker, I wonder whether the hon. gentleman would permit me to ask him a question. Has the hon. gentleman forgotten that he never even put it on the order paper; he only put it on the notice paper.

Mr. Thompson: The fact remains, Mr. Speaker, that it was not until after the hon. member's cabinet was falling apart and his government had been defeated in the house that he began to talk about policies which the government thought were needed and should be put into effect.

An hon. Member: Hear, hear.

Mr. Thompson: Today he blames the present government for the fact that these conditions exist. To bring in an amendment such as that which was placed before us today is just a continuation of the kind of political manoeuvring of which this house has had too much. There is no other reason for its being introduced in this form. If the hon. member thinks that we in the Social Credit party and others are going to be fooled into giving our support to this amendment, he is badly mistaken.

We are involved today in a discussion which relates to the expenditure of money that is collected from the taxpayers of Canada. Since the last election we have already had two tax increases from a government which promised to keep taxes down and to balance the budget. The fact of the matter is that in the few months this government has been in power, the debt of Canada has gone onward and upward, as has the spending of the government.

Mr. Churchill: He is attacking you now.

Mr. Thompson: Looking at the supplementary estimates that were given to us the other day, we find that the previous estimates have increased by $74,166,785, making an expected expenditure on the part of the government of $6,864,808,864. No doubt additional supplementary estimates will be brought in before the fiscal year is ended. The hopes of a balanced budget fade very rapidly as the outstanding funded debt rose between March 31 and August 31. The last interim supply gave the government power to borrow more money. Rising interest rates since the war mean that low cost bonds now maturing are being refinanced at higher rates of interest. While we may talk about the favourable balance of trade which is existing at this time, the fact remains that our international indebtedness is something over $19 billion. We, the taxpayers of Canada, are paying more than $570 million in interest charges on our international debt alone. How long can this condition continue?

[*Translation*]

Mr. Remi Paul (Berthier-Maskinonge-Delanaudiere): Mr. Speaker, I rise on a point of order. I am listening very carefully to the hon. member for Red Deer (Mr. Thompson), but I fail to see the relevancy of his remarks to the motion of the hon. member for Qu'Appelle (Mr. Hamilton).

It is the first time that agriculture is mentioned since the beginning of this session, and it seems to me that the hon. member should have enough material to stay within the limits of the debate, instead of talking about the new taxes imposed by the government.

[*Text*]

Mr. Pickersgill: Mr. Speaker, I would just like to say a word on the point of order. This is the first supply motion that has been moved, and there is no desire on the part of the government to interpret the rules narrowly to prevent freedom of speech in the house.

Some hon. Members: Oh, oh.

Mr. Knowles: Since when does the government interpret the rules?

Mr. Thompson: Mr. Speaker, I thank the Secretary of State (Mr. Pickersgill) for his interpretation of the rules, and I would say to the hon. gentleman who raised the point of order that I am speaking to the subject matter that is before us. I am coming to the fundamental reasons for this situation existing, which neither his government, nor the present government are facing up to. As long as we have these conditions we are not giving a fair deal to the farmers of eastern Canada, or western Canada either. I maintain that we cannot continue to bear the tremendous debt load that we have at the present time. Nearly 14 cents of every tax dollar goes toward paying the interest on our direct debt alone. I am not speaking about the international debt when I say this. This is why our monetary and fiscal policies are floundering today. They are floundering because they are not adjusted to the conditions we face in this world of abundance that is centred in Canada. Something must be done to change this situation in order that our agricultural policy or

any governmental policies which relate to fiscal matters can deal with the situation and do the job which should be done.

This is not just the fault of any one party. The Liberals say they aim for a balanced budget. Generous spending makes this impossible. And they know quite well that Canadian citizens are not going to stomach an increasingly higher tax load; certainly they are not going to accept cuts in what we regard as welfare spending. The government which they succeeded was responsible for much of this situation. This is why it is difficult to understand how the former minister of agriculture could have the gall to speak as he spoke in the house this afternoon about these things. One of the biggest blunders ever committed by his government was the refunding of the national debt at a service cost which we are today paying over 60 per cent more than was the case previously.

Mr. Deputy Speaker: Order. I regret to interrupt the hon. member, but I think the point taken a few moments ago was well taken, that the hon. member for Red Deer (Mr. Thompson) must limit his remarks to the text and the essence of the amendment now before the house.

Mr. Thompson: I appreciate your advice, Mr. Speaker, but as I said before I am coming to the very basic point in my remarks, which is the position in which we are today. I will bring these remarks to a close as quickly as possible. Members of the New Democratic party say in their declarations that there is nothing wrong in this debt—"we would like to have more of it"—even though the laws of compound interest dictate that the time will come when no nation can hope to have an effective monetary policy. This involves putting off until tomorrow somethink which cannot be solved today. That is why we must have in Canada, if the farmers of Canada are to have a fair deal, the opportunity to use the Bank of Canada to finance the sales of our surplus agricultural production. This would give our farmers the opportunity to sell their products at prices which they must obtain in order to remain in the business of farming, in order to give them the necessary purchasing power to raise their standard of living and correct the conditions which we agree should not exist.

I was in New Zealand a few weeks ago, and I was most impressed to find that in New Zealand they are using the reserve bank of New Zealand, which corresponds to the Bank of Canada, to finance the sale of their surplus dairy products at a cost of 1 per cent. This is the very thing about which we have been talking from this side of the house, and which I think is the key to the solution of the marketing problems of our farmers in Canada. Instead of borrowing money at tremendous interest rates which impose a further burden on the farmer himself we should be using our own credit, our own resources in the Bank of Canada, as is done in New Zealand, to sell our surplus dairy products.

What would happen if we were to do the same thing in Canada? The farmers of eastern Canada, the farmers of the maritimes, would find their basic problems removed. They could go ahead and set up their marketing boards, which we believe are essential, and they could do so with the assurance that they would be able to sell their surplus production. It is for this reason I maintain, Mr. Speaker, that what must be done in connection with this agricultural problem is to introduce some basic fiscal policy which realistically relates to the needs of the day. This would help us get our surplus production out to the people of the world, particularly to our friends who are waiting for it and who need it. We can talk about 100,000 families in Canada living on standards lower than any Canadian family should, yet perhaps three quarters of the world population lives on standards much lower than that.

What we should be able to say to our farmers in Canada, in the east or the west, is this: Produce as much as you can because, as a government, we are going to give you fiscal and financial policies that will permit the sale of every bit of our surplus production. Then Canada would be fulfilling the role that Canada can play, that of helping to defeat the greatest enemy we have in the world, hunger. Hunger should not exist in the world with today's potential for abundance, when we can produce enough for all the people of the world to have a basic standard of living as it relates to food, yes, and shelter and clothing as well.

This is the challenge that is before us. This is the responsibility that rests on the government. I agree that six months is not sufficient time in which to introduce all these changes. However, unless the government gives assurance it will introduce these changes, that it will face these responsibilities, how can the government hope to hold the confidence of the people of Canada? These are the responsibilities you have before you.

In so far as setting up the two price system is concerned, which will permit us to sell our surplus agricultural production, it is of vital importance to understand that inseparable from it are the financial and fiscal policies that today restrict us and that today place limitations upon us, and place so many of our farmers in the position in which they are. The two price system will

guarantee the producer at home a fair price for what he can produce and, at the same time, let us sell our surplus production to a world that is starving. Here is the basic flaw in our present system. Here is the thing that must be corrected.

The hon. member for Qu'Appelle has spoken about the needs of the eastern farmer. Yes, it is a national disgrace that these farmers are handicapped as they are. I say we are not going to correct their problem, nor are we going to improve the over-all condition of agriculture and trade as it relates to agriculture, unless we face up to the fact that our present financial policies do not permit us to sell. If we adopt proper financial policy we can have the standard of living that all our people should have, not just those in the farming communities.

I am discouraged when I see before us in the house another attempt at political manoeuvring. When the issues at stake are as basic as they are, and when they are as vital as they are to so many people in our country, what we all ought to be doing at this time is pooling our best ideas in order to formulate these policies which this country needs and which the farmers of Canada must have. Instead of doing what we are doing today in the house, we should be sitting together in the agriculture committee working these problems out for the general good of the country.

These are the responsibilities in a minority situation such as that in which we find ourselves. We maintain that this is the responsibility that falls upon all of us. The hon. member for Qu'Appelle thinks he is placing the smaller opposition parties in this house in a very difficult position by moving the amendment he has moved. He has tried to lay the blame for his own mistakes on someone else, and he thinks he has placed us in a very difficult position.

In view of this fact, Mr. Speaker, although it was not our intention to move an amendment to the amendment, I find that it is necessary to do so. I move, therefore:

That the amendment be amended by inserting, following the word "government" at the conclusion of line 1 thereof, the following words, namely:

"in continuing the completely inadequate policies of the immediately previous government", making the amendment, as amended, read as follows: "This house regrets the failure of the government, in continuing the completely inadequate policies of the immediately previous government, to take effective action in regard to eastern agriculture, and in particular with respect to feed grain for eastern Canada and for British Columbia, so as to provide:

1. Stability of Canadian supply and prices.
2. Opportunity for expansion of eastern production of feed grain."

[Mr. Thompson.]

Mr. Fisher: Mr. Speaker, may I raise a point of order relating to the amendment that has been moved? I should like to bring to the hon. member's attention the fact that he should read his amendment carefully, because I am convinced that the grammatical construction he has used conveys the opposite meaning to the one conveyed in his speech. If hon. members read it they will find he is condemning the government for failure to continue the policy of the former government.

Mr. Thompson: No, I think it reads all right. I respect the hon. member for Port Arthur's knowledge of grammar, since he is a school teacher, but I am one, as well.

Mr. Pickersgill: I should like to speak to the point of order raised by the hon. member, if he will permit me. I can only assume that they do not teach grammar as well as they used to do.

Mr. Fisher: Where?

Mr. Pickersgill: In Port Arthur.

Mr. Thompson: I think we will leave the amendment as it is because the government has failed, in that it has not been introducing the new policies that are required and has continued to follow the old, inadequate ones of the previous government.

You will recall, Mr. Speaker, that we spoke in this house last year many times about, and raised many questions regarding, the plight of the eastern farmer. We pleaded with the government of the day to do something about providing storage facilities in the east so that during the winter season, when the lakes were frozen, the eastern farmers would not have to pay higher prices for their grain than they had to pay when lake shipping brought it in at a cheaper rate. This emphasizes the fact that the whole policy which has underlined our present agricultural approach is not what it should be. It is inadequate and a change must be made. This change cannot be made until we face up to the fiscal problems involved in giving the farmers of Canada a two-price system which will guarantee them a price for the produce they raise and, second, gives them the opportunity to sell in world markets at competitive prices. This is the two-price system. This is the parity approach which must be taken by the Minister of Agriculture if the government is to meet the real problems which we have in agriculture today.

Mr. Herridge: Would the hon. gentleman permit a question? How does he relate his present speech and criticism to his publicly expressed opposition to the selling of grain to the Soviet union?

Mr. Thompson: I am very grateful to the hon. gentleman from Kootenay West (Mr. Herridge) for giving me this opportunity to answer that question. My stand in regard to this is no different from what it has been over the last two years. It is simply that we ought to be relating our trade policies to our foreign affairs policies and defence policies so that we are co-ordinating towards a mutual objective. If we are at the same time bringing in fiscal policies which will make this possible, we would be selling our agricultural surplus to our friends.

Mr. Winch: And who are your friends?

Mr. Thompson: We would not, Mr. Speaker, be permitting ourselves to build temporary markets on the misfortunes of other countries in the world, which of necessity do not give to our Canadian farmers the security of markets which they should have.

A gentleman asks: "Who are your friends?". That is not very difficult to answer in today's world, which is so clearly divided as it is. One of the greatest markets we have in the world today is within the commonwealth itself. If the commonwealth can be developed along economic lines its future would be far greater than we ever imagined in this world today. I maintain that what we should do in our world policies is to unite us as friends together, so that we use our surplus agricultural produce to the greatest possible effect for the maintenance of world peace and the stability of our Canadian economy.

Mr. Winch: Mr. Speaker, arising from what the hon. member has said, I asked him whether he would be selling to his friends and he did not answer. Will he now tell us to whom he would sell? Whom does he call his friends?

Mr. Thompson: The hungry people of India, the hungry people of Pakistan, Japan, the millions of hungry people in Latin and Central America who are right on our doorstep. I could go on and name a good many more nations who come within that category, but because our financial policies will not permit us to sell to them they go hungry.

Mr. Pigeon: I should like to address a question to the hon. member. Is the hon. member ready to say "Oui" to Mr. Caouette and his friends?

Mr. Nasserden: Mr. Speaker, I should like to ask the hon. member who has just taken his seat a question in connection with his reference to the leadership needed in this country. Does he think the Social Credit party could give this leadership, when the present leader of the party cannot get along with the other 24 members his party once had?

Mr. Deputy Speaker: I submit that that question is not perhaps germane to the matter before the house.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, we have waited for some time for the Minister of Agriculture (Mr. Hays) to make a speech in this house, and I find it unfortunate that he should make a speech in reply to an amendment moved on this occasion to grant supply. I find it unfortunate because of the fact that we had expected the present minister to outline new policies giving new hope to farmers in all parts of Canada, rather than give the tirade he did. The Minister of Agriculture said during his statement that he would like to challenge someone to milk cows, and I hereby challenge him. I think arrangements could be made at the experimental farm, and anybody who fills a 12-quart pail selected by officials at the farm in the shortest time would be winner. I would be happy to accommodate the minister, even though I have not done any agricultural activity for a long time. I would also be quite happy to help plow some of the fields, if that could be considered too. This may have been an idle challenge, Mr. Speaker, and if it was then I am unhappy about it. If it is not an idle challenge it may produce some interest in agriculture in Ottawa, and allow people to see the experimental farm. If it brought about that result I think it would have accomplished something for some members of parliament.

It is unfortunate that the amendment moved today has been worded in the way it has, for the simple reason that it has produced recriminations, as well as a great deal of harsh language in a political sense, between the two parties. We have heard talk about things the official opposition would have done had they been in office, and because they were not they were not done. The Canadian public, and particularly the agricultural segment of it, a segment which in my opinion has one of the brightest futures of any section of our development, has been waiting for many years for politicians to quit playing around with agriculture and to start doing something for the agriculturists. I am quite happy to admit that the previous government did a number of things for agriculture. Some of them worked, some did not. Some of them were advantageous to the farmer and some were detrimental. I think this government has already done some things for agriculture which have been advantageous, and they may do some more. They will also do some things not in the interest of the Canadian farmer.

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We have heard a great deal of talk in recent days about sales which have been made. I think the time for politicians to quit playing around with sales of agricultural products arrived a long time ago. The time is long overdue that we cease regarding agricultural sales abroad as plums for one political party or another. Over the years we have developed through the wheat board an agency which has done an excellent job selling our agricultural produce and which has worked within the political confines of the government of the day. It has done an admirable job. The fact that we have sold this wheat is not to the credit of either the Liberal party or the Conservative party. It is to the credit of the wheat board whose organization has been developed over many years. We should all be very satisfied that such a situation exists and that these sales have been made, because otherwise Canadians in many walks of life would have faced an extremely hard winter this year. But we were fortunate in having a large crop and in finding a market for that crop through the Canadian wheat board, with the result that many thousands of dollars which would not otherwise have been available to the industrial workers and the professional people of Canada will flow into the resources of this nation, the result of the efforts of our farmers who produced this wealth at the source.

I believe that agriculture has a bright future. I think it has a bright future despite governments, rather than because of them. We have a terrific potential. Over the years we have been able to increase the production of any agricultural commodity at relatively little cost except for the land and equipment required. How many other nations are able to increase their capacity to produce by 25 per cent in a given agricultural commodity each 15 or 20 years? Yet we find this happening, and I think this does give us a great future.

As to the present agricultural situation it is, in my opinion, a grim one. Each year the average age of our farmers increases by one year. There are few young people entering the industry. This is a position we had better face. We should be making some provision for the future in terms of the people who will be needed to make possible the development of our resources in the agricultural field. As all hon. members know, it costs a great deal of money to enter agriculture today. Even in the east a great deal of capital is required to secure a farm which will provide a decent standard of living, in addition to sufficient income for the repayment of a mortgage. I think an investment in the neighbourhood of $40,000 or $50,000 would probably be required. This might not amount to much in the eyes of farmers in western Canada who talk in terms of 5,000 acres and the equipment necessary to manage large tracts of land, but if I am right in the estimate I have made, and if it costs a young farmer $45,000 to acquire a farm which would provide him with a decent standard of living, I think he would find it a heck of a lot better to put that $45,000 into some other industry.

In these circumstances it is up to us to stop playing petty politics and get down to helping agriculturists of this country to establish a strong industry, an industry which people will be happy to enter. This has not been the situation under either of the former governments. It seems to me we must establish a more effective way of making farm loans. It is all very well for the government to say that the present arrangement is a success. I think it is working far better than did the old farm credit board. The terms are better, and the training of the personnel has been improved. But we all know of many applications which have been turned down because, in order to make his venture financially possible, the applicant would have to supplement his income by wages earned off the farm. This moonlighting has caused great difficulties, not only in the field of farm credit but also in the labour sphere, difficulties which are obviously detrimental to the development of a healthy agricultural economy.

This was mentioned by the mover of the amendment. He said that in many areas it was impossible to get work done on the farms. This very situation affects the young people with whom we should be concerning ourselves. If a worker in a town wants to buy a hundred acres on the edge of a town for the sake of becoming a gentleman farmer in a small way, there is no need to design the whole of our agriculture policy around him. Our main purpose should be to design a policy to assist those who wish to enter upon agricultural production on a full time basis. We should make it possible for all such people to farm without having to seek employment outside.

One of the main reasons for the high cost of farm production today is the cost of farm machinery. I sat on the agriculture committee a few years ago when we considered this whole question. I think we conducted one of the most exhaustive studies which has been made of this subject. The former minister of agriculture cannot take any credit for the operations of the agriculture committee under his jurisdiction, because of his failure to implement any of the reasonable demands which were made by that committee for a reduction of the cost of farm machinery. I should like to mention one or two of the

recommendations which we made. One of them had to do with standardization, so that a John Deere tractor could be backed into a Massey Harris implement and tow an International harvester. We wanted the nuts and bolts and other attachments made standard so that this would be possible. We mentioned such things as the removal of cigarette lighters from tractors; such things as having the agricultural implements themselves made more practical and more basic; we referred to the need for having the machines thoroughly tested before they were allowed to reach the agricultural scene. All the members of the committee were united, I think, in the belief that something should be done on behalf of the farmers. But what happened? The cabinet pays no attention to any recommendation which comes from a committee of this house, and in this respect there was no difference between the recommendations which were made by the committee on agriculture or by any other committee, whether set up under the former government or under the present administration. We are doing as much good in the agriculture committee today, despite the fact the committee has not been called, as we were when we sat under the Tories. We are ruled in this country by the cabinet and the representations of backbenchers, particularly in a majority government, do not carry any weight.

The cost of farm machinery is probably one of the major costs of farming in western Canada, and even in eastern Canada the cost of buying machinery to meet the need for automation represents a large part of a farmer's expenditure. The Minister of Agriculture (Mr. Hays) may not know it, but if a farmer were setting up a dairy farm in eastern Ontario today, milking cows would be a very small part of his job. Fixing the milking machine would be a much more important chore. He would no longer be cleaning the stables with a fork. He would clean them with a very simple but very expensive piece of machinery which would hose them, and still retain the valuable by-product. Every piece of equipment is very expensive, but in this small field of barn cleaners we have not been able to effect an economy.

There are others. We should not go around the country asking the farmers to produce more if we are not willing to sell what is produced. If anybody is to be given credit, I think the former minister of agriculture must be given some credit for at least making a good fight in the export market. It seems to me that we have been able to develop export markets, and I think he deserves some credit in this field because it was his job to make the general public aware of the fact that we need to sell.

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I used to be shocked by the attitude of a former minister of agriculture who had something to do with the sale of some of our commodities and who used to say: We have the best products and everybody knows it, so if they want to buy them let them come and buy them. In my opinion this is no way to sell our products, because it has been proven that you have to go out and sell them.

We can produce almost any agricultural product in abundance in Canada. The farmer, if he is given a year or two, can increase by 40 per cent his production of anything he is now producing, whether it be milk or any other commodity.

What are we going to do with these products? We have only one dairy product that we can sell without doing any work. We could sell more Canadian cheddar cheese on the export market tomorrow if it were produced, but the agricultural experts of this country will not ask the farmers to produce unpasteurized Canadian cheddar cheese that could be sold in the United Kingdom market. There is a shortage of that product every year. But what do the agricultural experts say? Produce more pasteurized cheddar cheese, a product that cannot be sold to most of our customers.

We could search out markets for most of our commodities. I think it is interesting to note that when the farmers themselves have had the courage to do this they have been able to assist greatly in the marketing of their products. In my area two or three farmers in two communities have set up community sales barns. This is a field that is very familiar to the minister, and maybe he can give some assistance in expanding it. Auction sales are conducted in these community sales barns, and in my area which is 350 to 400 miles from Toronto I find that the price we get is probably not more than two cents below the Toronto stockyard price.

The minister has been talking about feed grains. He ought to think about this, because our cattle are usually not fattened on grain: They are fattened in the pasture. Oh, yes, in the last few weeks we feed them, but we have many sources of feed available for cattle. We can use green fodder, we can use silage, we can use corn. There are many things that can fatten these cattle. If what is suggested is accomplished, then I suggest that the former minister of agriculture had better take a look around eastern Canada because he may find that the advantage the western producer has of having a product for feeding his cattle readily will no longer be an advantage, and there may not be so

many people return from western Canada because the situation may change almost overnight.

The same thing has also been accomplished in a small way by the hog producers of Ontario. They have co-operated to sell their products, and have been able to bring about some stability not by asking for government help, not by asking for their share of subsidization, but rather they have been able to accomplish in sales what the government with a subsidy failed to do over a long time.

If anyone will look at what subsidization has cost Canada he will find it is not a small thing. In the annual report for 1962-63 we see that it has amounted to $461 million. This is a sizeable sum of money and a lot of it has gone into butter production. I listened very attentively the other day to the statement the minister made with regard to the consumer subsidy placed on butter in order to sell it. We have tried to give it away. We have tried to store it. We have tried to convert it into oil and we have tried to pay consumers to buy it.

We spent $42 million in the period from April 30, 1962 to March 31, 1963 in this field. What did it do? I am told we are now eating more butter than we ever did before, because it is being used in the soft ice cream field and that a very large percentage of consumer supported butter has gone into hard ice cream. The ice cream in my area is considered about the best in Canada and I know that most of it is produced with the addition of butter under this program.

I suppose it does not matter what you do with the butter. I had a request from a businessman who wanted to buy butter oil for which I do not think there is any reasonable use. He wanted to buy it at seven or eight cents a quart so that he could help the government, pointing out that he would use it in his company to make bath oil. His comment was: "After all, Cleopatra used it, so we see no reason why we cannot buy this stuff at seven or eight cents a quart to make bath oil which the consumer will use, if it is properly perfumed." People talk about what detergents are doing to our sewage systems. I wonder what butter by the gallon draining out of bathtubs would do to the septic tank systems of municipalities throughout the nation?

We have tried everything except selling these products. If the government would take as much interest in selling them as they take credit for every increase that normally comes about by reason of the expansion of population in Canada and the additional consumption arising from increased wealth and a greater gross national product, I think they would be doing something worth while. The people of Canada are looking to parliament for a long term solution of our problems. The only solution put forward to date, and it will have to stand until something better is suggested, is the ARDA program. I see it is almost six o'clock and I just want to mention that if the government think they are going to be able to do the same thing with ARDA that they did with P.F.R.A. in western Canada, and make it into a political patronage machine, they have got another think coming. I would rather see the ARDA program scuttled in eastern Canada than to see it develop into a monster like P.F.R.A. was in western Canada, in terms of the patronage that has gone with it. I think this is a program that could work but it is not going to work if applied in any political way.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Peters: Mr. Speaker, before the supper adjournment I had mentioned the ARDA program. It is the only long term agricultural program introduced in recent years that would appear to many people, and I am one of them, to present a long term solution for the agricultural problems of the nation. I do not want to see this program turned into a patronage machine like so many others have been, including P.F.R.A. and P.F.A.A., both of which have been used by governments in power to spread political propaganda and patronage. ARDA should certainly be operated at a higher level than that.

When it was first outlined ARDA, according to the resources for tomorrow committee, had three main objectives: First, to develop alternative uses for land classified as marginal or of low productivity; second, to develop income and employment opportunities for rural agricultural areas; third, to develop and conserve the water and soil resources of Canada. I do not think any one would disagree with any of these objectives.

The first thing we should do is provide the most effective use for the available land we have, and certainly we do not need to travel far outside of Ottawa to see the abuses to which our land has been subjected. Some 40 or 50 years ago huge timber stands were to be found in the Ottawa valley, but now there are only very limited amounts of cyprus cedars, where at one time the area was richly productive in white pine. This land will never be really productive again. In most cases the

top soil covering the rocks is too thin to be of value, but where we run into difficulty is in deciding what to do with this land.

Some people say that the land should be turned over to ARDA for development and let the government reforest it, or let somebody manage and operate it in some other way. Others say they should get advantage of it now. They say, "Let us sell our broken down, worn out land and get a good price from the government for it. If I have voted right and know the right people maybe my farm will be the one someone will buy." This, of course, is the political factor involved in any long term program, but I suggest it should not be the guiding factor.

This may not be true of other provinces, but in Ontario many people have been looking on the ARDA program as a new milk cow from which they can get milk in a very easy stream from the federal government. This is not what I contemplate ARDA to be, and it is not what was contemplated by the resources for tomorrow committee. Here is what that committee said of ARDA in regard to provincial co-operation:

> All of the provinces have agreed in principle to co-operative federal-provincial action under ARDA. It would appear that three things are necessary if it is to function for the greatest benefit:
>
> 1. That programs be established with adequate consideration for all uses of all renewable resources.
> 2. That planning have the benefit of a national survey of the land and its productive capacities under the guidance of members of various professions (the soil scientist, the economist, the plant and animal scientists, the forester, the engineer). This will require a high degree of co-operation between governments and between several departments of any one government.
> 3. That local and municipal organizations take the maximum possible action initiative; that they participate fully in planning programs and putting them into effect.

I suggest one of the things that should have happened under ARDA is that a national survey should have been taken to establish all the land of a marginal nature, and to discover what renewable resources could be produced from it. Such a survey might have taken a year or two, but it would have provided the blueprint for the program. Such a survey would involve a lot of work and energy, and maybe the Minister of Agriculture has not got the capacity to organize it; but if we continue to look for day to day projects that will bring votes we will never realize the agricultural potential of the nation. To do that a survey such as this is necessary.

There are a great number of projects under consideration right now that do not fit into the program of a national survey. I imagine that sometime in the next five or six years a government will come out with a scheme for such a survey in order to put ARDA on the proper track, where it should have been in the beginning, so that we may know what developments should take place, and in what areas, for the greatest benefit of the nation.

It should not matter whether someone is paid for his farm on the basis of reforestation, or whether the farm should be used for grazing, and so on. A survey would establish what is the best land use. I think this is the prime consideration in the success of the ARDA program. What will become of ARDA remains to be seen. There are many Canadians in the rural economy of this country who are not particularly interested in ARDA, because today the average age of the farmer is over 60 and he is not looking for us to plant trees on his farm. He does not really care what happens to the farm across the road. He wants a decent standard of living today in the profession to which he has devoted his life.

I think this is where governments are involved. The farmer can produce whatever the government suggests. I think this has been admirably shown in what has happened to wheat. Probably this is a very fortunate accident, rather than intention. It really is not the government's fault that there was a crop failure in Russia, or that there has been a famine in China for the past three years. These are facts of nature and these sales really cannot be put to the credit of the Department of Agriculture and its officials. We are very fortunate that these events have taken place, as far as our sales of wheat are concerned. I think it behooves us, even in the field of wheat, to design our program so we will know how much wheat to produce and how much our long term markets will require. I think we also have to establish in Canada a large reserve of wheat against the day when there is a need for this reserve in order to keep alive the people of the world. If I were familiar with the Bible I could probably quote the passage that talks about the planning of storage in the early days in Egypt, when they had the wheat stored in their granaries and were able to give it to those nations surrounding them in order to preserve the very life of those nations. We may find ourselves in that position. It may be necessary to survey the needs of the world in relation to the amount that Canada can produce. It will not really do us much good to change much of the agricultural land that we now have that is in reasonable production, until we know what our potential is and what the needs of the world are. Every year there is going to be a greater market for our agricultural produce. I do not know whether the Minister of Industry (Mr. Drury) can say the same of his department. I am not sure that we are going to need to produce more cars in Canada, or more textiles, than

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we produce today. But I am sure that because of the geographical location of Canada we will need a greater production of agricultural products. The only thing our governments have to do is find out how we are going to dispose of this production.

I think the government is to be commended, both this government and the previous one, in what they have been able to do for wheat. We will not go into the question of why they were able to do it. Let us give them full credit for that. But I wonder what we are going to do with some of the other things we are producing. This government and the previous one have shamefully neglected the milk production industry of this nation. They either know nothing about it or they have not done anything about what they do know. The milk producers came to Ottawa several years ago and asked for the right to blend their price. They came to Ottawa later and asked for the right to put a five cent levy on fluid milk producers and for help in subsidizing the sale of cheese. What did the government do? Absolutely nothing. They waited until there was no need for the subsidy and the problem had already reached the position where the industry itself could not agree. Now there is a need for planning in regard to all milk, because farmers producing milk should be given the opportunity of disposing of that commodity at a fair and reasonable price. This has been highly accelerated in parts of Canada, particularly in Ontario, where there are scientific developments in the production of fluid milk and we are producing commodities such as multimilk, and so on, which are cutting into the sales of fluid milk to a great extent. It is true that this is a secondary milk product. It could be put in the class of manufactured milk, but when the end product is reconstituted into whole fluid milk it takes an expert to detect the difference between the two products.

Therefore I suggest that in this field if in no other the government will have to give assistance to the industry. The federal Department of Agriculture should be giving some advice and leadership as to how to solve this particular problem. Why ask the federal government to do it? Mr. Speaker, who is better qualified to assess the needs of the nation than the federal government. What do we find? The Minister of Agriculture (Mr. Hays) challenges somebody who may never have been on a dairy farm to milk cows. I ask the house, is that a very high level of debate? I certainly think that Canada is in need of leadership in this field. We have a great need in this area. We will support the Minister of Agriculture in any reasonable agricultural policy, no matter which political party brings it forward; but I think we have the obligation as a federal government to convene immediately the agriculture committee and sit down and decide some of the answers to these problems affecting agriculture. I suggest that this amendment will be a very small thing in eastern Canada, considering that we have many other problems.

I also suggest that the committee sit down and solve some of these problems, and after hours and hours of working on a particular problem the government has an obligation to the committee to at least listen to its recommendations. If the government says it does not want to do anything about them, let them at least have the guts to have the Minister of Agriculture inform parliament that they are going to disagree and are not giving any consideration to the report of the committee. I have been here for four parliaments and have heard my colleagues continually saying, "What a wonderful thing, these committees. Let us concentrate more on committees". I agree with them, but in view of my experience of the past one might as well save one's time going to a committee meeting, because when the report is made, what happens? It is laid on the table, and I defy anybody to tell me what is done with it, except to store it in the archives for our successors to read and be amused by some of our solutions.

Therefore I appeal to the Minister of Agriculture to give some honest consideration to the problems of eastern Canada. We have always helped those in western Canada to solve their problems, and we in eastern Canada are in dire need of assistance today in the agricultural field. The farmers are not going ahead; they are going backwards. One does not see new farmers today; we take all the old farmers to the cemetery. Farms in my part of the country are left neglected, because no one can go into farming as a young person today and make a success of it. I do not think it is a very creditable commentary on the situation in Canada when we have this need, we have the ability and yet do nothing to bring these two things together and try to effect a solution. It may be, as one member of parliament said, "We have the gravel; we have the cement; we have the water. Why haven't we got the sidewalks?" I think in this case it is not necessary that we have these problems. We spend a great deal of money on other things. We have the know-how, but we need advice and direction, and this we are not getting from our Department of Agriculture, to solve or attempt to solve many of these problems that have been with us for some time and are today crying out for a solution.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, on a point of order.

You have recognized a representative of each political party and I am wondering whether it would not be proper to extend this courtesy in the house, in order to enable the hon. member for Shefford (Mr. Rondeau) to express the views of our group.

Mr. Deputy Speaker: Order. The hon. member realizes that every political party, every group will have the opportunity during these two days to participate in the debate.

The Chair recognizes the Minister without Porfolio (Mr. Tremblay), and, when the time arises, the hon. member for Shefford will be recognized in due time.

Mr. Gregoire: So far, each of the political parties has had one representative recognized. It seems to me that it would be only right to recognize the representative of the Ralliement des creditistes as well, instead of a second member of the party in power—

Mr. Deputy Speaker: I do not have the impression that the Chair has actually recognized a representative of each party. The Chair recognized four members, and is about to recognize a fifth one, the Minister without Portfolio.

Hon. Rene Tremblay (Minister without Portfolio): Mr. Speaker, I have listened with sustained interest to the motion brought in by the hon. member for Qu'Appelle (Mr. Hamilton). In my opinion, it was quite a performance on his part to succeed in describing so vividly in so short a time the situation of agriculture in eastern Canada.

Such words are not out of place in the mouth of the former Minister of Agriculture whose inaction caused agriculture to deteriorate in the space of a few short years in eastern Canada. Who could have been better chosen than him to stress in the house the lot of eastern farmers whose standard of living is undeniably lower than that of other farmers in Canada?

The first part of his remarks was a normal introduction to the second part of his speech where he tried to prove that the present government did not succeed to improve the conditions of farmers in a few months.

I will come back to that later on but I should like to point out now that the problem facing eastern agriculture is a very concrete one which must be acknowledged before any solution is sought.

Any political measure, either in the field of agriculture or in any other area of public life, must first be based on a precise and accurate appraisal of the situation. First, we all know what the situation of eastern Canadian farmers is in relation to modern progress. We realize that his standard of living places him in an impossible situation compared to the population as a whole. We see various craftsmen, professionals improving their lot, their financial status, but on the other hand, the farmer living on a small farm does not share in this progress. He is aware of this, he is unhappy about it and he has been crying for help for many years.

And it took a party like ours, a government like ours, to understand the grief of the small eastern farmer.

His grief is psychological. He needs to feel that the government is behind him, and that is exactly what the present government wanted to achieve in introducing here a measure to enable one of its members to occupy another agriculture portfolio. That need of the farmer to see his lot improved, to feel he is supported in a growing economy, is based on a certain fact and an important one, the standard of living of the eastern farmer in relation to that of farmers in the country as a whole.

The hon. member for Qu'Appelle gave some figures. I will go over them and I think no one will be able to contradict such a clearcut situation.

Whereas in 1962, the farmers' net income in the whole of the maritimes, excluding Quebec, totalled $901, in Quebec, it amounted to $1,659 whereas in the western provinces, in Alberta for instance, a farmer earned $4,052 and in the prairies as a whole, excluding British Columbia, $4,011.

If those figures are compared with those in other groups, one finds that the eastern farmer, in the maritimes, Quebec and Ontario, finds himself in the most unbearable situation. It is because he feels the need to improve his living standard that he looks for solutions.

How could the government settle the problem of an inadequate standard of living for the farmer by comparison with other groups of the society? It can contribute to increase the price of his products and services or to reduce his production cost.

Unfortunately, it seems to me that we were too anxious in the past to solve the problem of insufficient farm income by granting repeated increases in the prices of products without making allowance for the consequences on the market of that steady increase in support prices.

More and more—and this is a policy the present government must apply—the farmer's production cost will have to be reduced. And that reduction shall come through improving the farmer's efficiency on his farm. In fact, it has been said for a long time that the farmer, on his small farm, does not have

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all the necessary technical knowledge to be efficient and place on the market a product which can be compared to those of the larger farm units.

That is why the federal government, in co-operation with the provinces, feels that it is essential to increase the technical knowledge made available to the farmers. In fact, in the whole eastern part of the country, the experimental farm system will soon be completely reorganized; these farms are precisely designed to make available to the farmer all the latest technical discoveries, the most improved products in order to increase his efficiency and therefore reduce his cost of production.

Besides, the farmer's efficiency will improve through a more rational use of farm machinery. In that respect, the Minister of Agriculture (Mr. Hays) indicated a few moments ago the concern of the experts in finding methods allowing the small land owner to use in a more efficient and economical way the very costly farm machinery which he also needs, but for which he often cannot afford to pay the monthly instalments.

Production cost could also be cut down by the adoption of a new feed grain policy which would make it possible to breed cattle more economically in eastern Canada. I will have more to say about that later on.

An inadequate standard of living is not the only problem facing many eastern farmers.

A second problem is that of income instability. In fact, not only has the eastern farmer a lower income than other Canadians, but his income changes from year to year so that, at one time, he may get into debt for his farm or for his family and then, later on, he finds himself heavily indebted towards lending companies when he has no money to meet his obligations.

This instability has also a psychological effect on the farmer. Living in a world which requires more and more security and finds it in measures of stabilization enacted by the government, the farmer feels insecure owing to the large fluctuations in his income from one year to the other.

How can we help in reducing these fluctuations of income, this instability in the farmer's income? The experience that our fellow farmers in the west have known will have to be tried differently in many fields of production in eastern Canada. During many conferences on agricultural matters, the provinces have agreed to co-operate with the federal government in the establishment of joint organizations for the marketing in an orderly and stable way of various farm commodities produced on eastern Canada farms.

It would be of no avail for the federal and the provincial governments to pass the buck as far as responsibilities in farm products stabilization are concerned. The time when each could, in its own area, attempt to find a solution to the problem is a thing of the past. More and more, we must find methods of co-operation in the area of farm products stabilization. And the Minister of Agriculture (Mr. Hays) did set off that co-operation in a very effective way at the last conference held in Edmonton.

And that co-operation is proceeded with, specially in the east, in order to set up stabilization and price support organizations which will prevent too sharp variations which were so disastrous for our eastern producers in the past.

The third problem facing the eastern farmer is brought about because he feels so destitute in the face of the tremendous resources the economy enjoys in other sectors while he is still at a primitive farming stage and cannot keep pace with the progress all around him.

Would the solution in that field be the isolation of the eastern agriculture in a kind of ivory tower which could bring about some stability except for relations with the rest of the country and even with the rest of the world? I do not think so. Indeed, I think that in the past too much was done to isolate our eastern agriculture from the whole economy of the country and from all international markets.

The benefits of competition must extend to all areas of agriculture, and international markets as well as the whole domestic market must be made increasingly available to those small producers who often find themselves at a loss when faced with the big economic task they have to achieve.

Faced with those three problems, what does the present government have to offer? What achievements has it already got on the credit side and what lead may be expected from it to deal with agricultural problems in the eastern part of the country?

As for the initial step the government has decided to take, there is a resolution on the order paper and the house will soon be called upon to study a measure setting up, within the Department of Agriculture, a double direction.

I do not intend to dwell upon this problem as we shall have the opportunity, while studying the bill, to point out the beneficial consequences that such a double direction will bring about for the eastern producers in general.

The intention expressed here is not to divide but to unite, so as to get a better management of the country's agricultural business. For once, we want the eastern

farmer to feel himself bound to all the other farmers, so that, with two men working together, we may see, for the first time in this country, the agricultural field as prosperous as other spheres of our economy.

With regard to the stabilization policy, more particularly in the dairy field, the house has already been informed, Mr. Speaker, of the significant legislation this government introduced when it came into office, in order to get away from the concept of the former administration, which had to grant perpetual increases for milk and butter, and was left with a considerable surplus on its hands. This government has got away from that concept and tried to find among the dairy produce markets those who would absorb considerable quantities.

We easily discovered—because it had been demonstrated in several years of inertia on the part of the former administration—that we had to turn away from butter and go into the considerable market for cheese.

Our stabilization policy, which has been in force since May 1, resulted in a considerable decrease in butter production and more particularly—as was intended—in the increase of cheese production by approximately 16 per cent, without having to face any surplus problem, because all that production has already been sold abroad.

Such a dairy policy precisely illustrates how to approach a solution of our farm problems which would duly consider the future of our national and international markets while getting away from old concepts of politics, which had been applied for a long time to our farmers.

In matters of education or technical training, what positive steps has this government taken up to now to help the eastern farmer improve his knowledge in agricultural matters?

Reorganization of the education on farming subjects has already been decided on, so that a centralization can be developed within each eastern province and so that such knowledge, contrary to what was done in the past, can be disseminated in all farming areas through the setting up of experimental farms which will continually get their material from those research centres. In turn, they will be in a position to supply the farmers with technical and other knowledge they need to raise the level of efficiency of that production.

I said that this government was more interested in the reduction of farm production costs for eastern farmers than in an artificial increase of the price of those products. It is in relation to such a policy that the present Minister of Agriculture announced a new feed grain policy some time ago.

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All those who have studied the problems of agriculture in the east know that one of the most expensive items for the farmer is the purchase of feed grain for cattle during the long winter months when the harsh weather makes it impossible to use the grazing grounds.

In order to prevent an artificial rise in price for such feed grain during the winter, we have set up some policies designed first to pay the cost of storing the feed during the winter in order not to penalize those who have to keep large stocks of feed and who, consequently, had a tendency to transfer those higher prices during the winter to the eastern farmers.

That policy whereby storage costs are paid was followed by another which has been announced and will be explained in detail within a few days; it is a new policy to help the transportation of feed grain to eastern Canada.

As we know, this policy was the work of a Liberal administration, of a Liberal government; but it had to be renewed in the light of experience and new problems which faced us. It is because of changes in the methods of transport that the new policy concerning payment of freight charges for grain will be carried out.

This policy will consist in paying the basic price, the price of transport by water, to which will be added, as the case may be, the extra transportation costs by train or by truck, for the basic ports as far as the various areas determined for that purpose.

The result will be: first, to standardize within an area the various prices of grain, and second, to allow fair competition between the various means of transport. We hope that these will help to reduce freight costs on the shipping of these grains to eastern Canada. Finally, a third feature of our grain policy is the establishment of deferred payments.

Contrary to the system which existed under the previous administration, those buying grain at the lakehead would only pay the price which will be in force at the time of delivery, so that the middlemen will not have to take unnecessary chances on account of price variation and, as in the past, to reduce the grain stocks available for eastern farmers.

We want to point out that those three measures, which have already been announced, are not just promises for the future. We believe that they will improve tremendously the price level situation and the variation in feed grain prices in the whole eastern part of our country, and will therefore decrease the cost of production for our eastern farmers.

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Now, many questions have been asked since the beginning of this session, and also a while ago about the ARDA program. It has been asked whether the present government intends to maintain that program which was introduced by the previous government, following numerous studies initiated in the Senate under the previous government, by a very intensive investigation of the use of land in eastern Canada.

We have always thought and we still think that technical measures must be set up for farmers who live in what is called submarginal conditions, that is farmers who perhaps do not have all the technical and economic means to succeed on their farms, either because the land is not fit for farming or because the markets are too far away, or because the environment is not adequate for a certain type of farming.

We must consider converting certain marginal farms to more profitable uses under ARDA. A program such as the one embodied in ARDA can allow us to set up, in particular areas, efficient programs which will benefit the people living there.

Many important studies concerning redevelopment and rehabilitation must be made before government legislation is enacted. That is why the Minister of Agriculture has urged every province in particular to co-operate with him in carrying out research in various parts of eastern and western Canada, in order precisely to discover within those regions in what manner submarginal lands could be put to better use. Those studies are proceeding satisfactorily and as they are completed, the federal government, in co-operation with the province, will be able to set up very effective programs for the reconversion of those lands so as to improve the standard of living in the areas concerned.

The purpose of ARDA and the Agricultural Stabilization Act would not be achieved if we failed to tackle the problem of credit. We realized very soon, as the Minister of Agriculture pointed out this afternoon, that in many cases the amounts made available to eastern farmers by the Farm Credit Corporation were insufficient to permit the proper development of many undertakings that bring in a high income in various areas. Therefore, officials of the Farm Credit Corporation have been asked to conduct a detailed survey, by region and by type of farming, on those basic needs, which the corporation would have been unable to meet in the past, so that we can adjust to those various needs.

The study is still going on and the Minister of Agriculture will soon be able to recommend changes most likely to help eastern farmers to renew their equipment, improve their farms and extend their markets for various agricultural products.

As was often pointed out, too much stress may have been put on milk production in eastern Canada. It was a mistake not to show more interest in cattle breeding in the past, considering the vast markets which were to be found in Toronto, Montreal and the other large centres in eastern Canada. It is because of our awareness of the problem that the Minister of Agriculture has set up within his department a special committee which is to formulate a policy concerning livestock breeding in the eastern part of the country and whose recommendations will be forwarded to the house in due time for the improvement of breeding conditions in eastern Canada.

In our part of the country, farmers are looking for more diversified production while a vast market is being supplied, at least in part, through livestock imports. We should, therefore, establish once and for all a policy to promote development in that important sector of agriculture.

All the steps I have mentioned would not have helped solve the problem of eastern agriculture if the Minister of Agriculture and his officials had failed to realize the importance of setting up and maintaining international markets for our various farm products—those of the west which are doing remarkably well, and those of the east. Demand requires contacts with the United States and various European countries interested in buying certain crops they lack while we have surpluses. It is still partly with such a policy in mind that the Minister of Agriculture has visited various European countries, in order precisely to look into the possibility of co-operating in this field and exporting also our different agricultural products on those markets.

Mr. Speaker, this brief sketch of the problems which existed when this government came to power and the action which we have already taken or which are under consideration for the near future, well indicate that this government has no greater concern than to help efficiently the eastern farmer to solve his problems in order that the stagnation which the hon. member for Qu'Appelle pointed out, when introducing his motion and looking back on his administration, may disappear as quickly as possible in eastern Canada.

Finally, I hope that eastern farmers who in the past have felt neglected and powerless in the face of modern economic phenomena, may at last feel for the first time that a Canadian government, their government, is considering their problems and is finding appropriate

solutions. It will thus have contributed to rehabilitate the people who have been so deserving in the past throughout the country and who are only seeking redress. They are asking the state to consider their problems; this is exactly what the present government has done since it came into power and it is exactly what the Minister of Agriculture is doing. I hope that in the very near future, I will be in a position to help him to perform that task and to co-operate with him in the best interests of our eastern farmers.

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, my first remarks will be to tell the house that this afternoon, we were very much surprised when we heard a speech from the Minister of Agriculture—and I do not mean the hon. member for Matapedia-Matane (Mr. Tremblay). I would like to refer to an interview the minister had some time ago with one of the most distinguished farm reporters, Mr. David Suderman of the *Family Herald*. The interview took place on July 4, 1963. I can relate to the house what that reporter had to say in that paper:

[*Text*]

In my first and, so far, only interview with Mr. Hays, who is rapidly becoming one of the more inaccessible ministers in the new cabinet, he declared that there were two topics he did not want to discuss, the appointment of two ministers and farm policy.

[*Translation*]

Mr. Speaker, that is why we were surprised when we heard the Minister of Agriculture make his first speech in this house on a farm matter.

I wish to pay tribute to the hon. member for Qu'Appelle (Mr. Hamilton) for delivering such a clear and accurate analysis of the precarious situation of eastern farmers.

I had the honour to work in close co-operation with the previous minister of agriculture and I am in a position to assert that he put forward many policies to help farmers in our country. Unfortunately, we were unable to completely carry out the plan we had set out in order to give more help to the farming community and specially to the eastern farmers.

For instance, we brought in important amendments to the Farm Credit Act and let me state here that in a few years only, because of those new amendments to the Farm Credit Corporation, we put more capital at the disposal of Canadian farmers for the improvement of their farms than the farm loan board did during 22 years under that Liberal government about which the hon. member for Matapedia-Matane was so grandiloquent.

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): May I ask the hon. member a question?

Mr. Pigeon: If the hon. member for Argenteuil-Deux-Montagnes wishes to ask a question when I have completed my remarks, he will have the opportunity to do so, provided he gets permission from his party's whip.

The former minister of agriculture, the hon. member for Qu'Appelle, has also to his credit ARDA, which has begun to be applied in co-operation with the provinces. It is the Magana Carta of agriculture, based on experiments made in European countries and also on His Holiness John XXIII's encyclical letter, Mater et Magistra.

In addition, the former minister of agriculture had put on the order paper an important bill concerning the transportation of western grain to eastern Canada, but as soon as a great number of members of the opposition realized that the bill was to help the farmers, the same as other bills, like the one amending the Farm Credit Act and ARDA, they defeated the government.

Mr. Speaker, I wish to pay tribute publicly to the hon. member for Qu'Appelle for presenting this bill, following many weeks of study, in order to provide an increased income for the eastern farmers of our country.

Mr. Speaker, as previously mentioned by the hon. member for Qu'Appelle, 100,000 families receive at the present time an inadequate farm income and they appeal to this government to help them out of their financial difficulties. At the present time, there is at the national level an imbalance which puts confederation in jeopardy. When a group of citizens within a country are at a disadvantage, when their incomes are inadequate, the rest of the citizens are also affected and this contributes to widen the gap economically speaking and even to put national unity in jeopardy.

There is a national imbalance since 43 per cent of the eastern farmers live on marginal or submarginal land; moreover, labour, fertilizer and farm machinery now cost more. The problems are many.

The situation in the dairy industry is unstable. Tomorrow an expert in that field, the hon. member for Nicolet-Yamaska (Mr. Vincent), will deal with that matter in detail.

Mr. Speaker, I do not share the views expressed by the hon. member for Matapedia-Matane. He spoke about a new policy regarding the dairy industry. I can tell you, Mr. Speaker, that the eastern farmers were happier with the payment of 25 cents per hundredweight of milk to be processed than with the government's new policy.

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We should keep in mind that from 1959 to 1963, the policy launched by the hon. member for Qu'Appelle brought in nearly $50 million to eastern farmers, and when we asked the Minister of Agriculture No. 1 why the government had abolished that policy, he answered: "In order to save $6 million". That is just to show how much he was aware of the eastern farmer's problem.

The government should not forget that there are problems in the dairy and tobacco industries. I know that several hon. members from Ontario realize that there are several million pounds of cigarette tobacco yet unsold, and an over-production of cigarette tobacco in the province of Quebec. We would like to know what the Minister of Agriculture did when he went to Russia, and elsewhere and also whether he found a way to sell a few pounds of tobacco to pay for his journey, which was financed by Canadian taxpayers.

There is also a considerable decrease in apple sales.

We should, moreover, increase our subsidies to federal experimental farms in the east, and more particularly, in the province of Quebec.

I wonder whether the hon. member for Matapedia-Matane knows that all agronomists are leaving the experimental farm of L'Assomption. I would urge the Minister of Agriculture (Mr. Hays), to better working conditions, if possible, so that agronomists and agricultural technicians remain in the federal experimental stations of eastern Canada to carry on their research work, as the farm revenue is so low there.

Mr. Speaker, I notice that the Postmaster General (Mr. Denis), who is not in his seat, is laughing. I am dealing with an important matter and the Postmaster General should be more serious and listen to what I am saying.

When I was parliamentary secretary to the hon. member for Qu'Appelle, we wanted, by all possible means, to draw here, in Ottawa, in the federal Department of Agriculture, many French speaking agronomists and agricultural technicians, because, at the present time, there are very few bilingual experts at the Ottawa experimental farm, under the Department of Agriculture, so that French Canadian farmers whose farming income is very low cannot communicate easily with the federal authorities, and cannot be conversant with the federal acts which could help them to increase their income.

I suggest that the Minister of Agriculture should ask graduates of the agricultural school of Laval University to spend two or three days in Ottawa so as to show them how to secure a position in the Department of Agriculture for, if we sincerely want our eastern farmers to benefit, if we want them to have their share of the national revenue, it is essential to improve the channels of communication between the federal Department of Agriculture and eastern farmers.

I strongly urge the hon. member for Matapedia-Matane—I see that he has just left his seat, he is probably not very interested in that problem—I urge him to meet the minister of agriculture of the province of Quebec as soon as possible. A long time ago, I spoke about it myself to the Quebec minister of agriculture, in the hope of bringing about a program of crop insurance beneficial to Quebec farmers, particularly to those among them who specialize in a given type of crop; like our tobacco growers for instance.

Our farmers badly need an insurance of that kind; for them, it is practically a question of life and death. They cannot do without crop insurance. Federal legislation is a great help, as it covers 50 per cent of administration costs, and 20 per cent of the premiums paid.

Mr. Speaker, tobacco producers for cigarettes and cigars have invested considerable sums in their business, in order to see it prosper; however, they do not know whether they will be able to recover their capital. Insecurity is nothing new to them, for they have, only too often, been victimized by frost, rain, drought, and so forth.

I would ask the present Minister of Agriculture to hurry up and get in touch with provincial authorities in order to help the farmers of eastern Canada as soon as possible, because his future assistant or colleague does not seem interested in those problems.

Mr. Speaker, the hon. member for Matapedia-Matane (Mr. Tremblay) made a speech which amounted to a statement of policy. Now, as you know, the hon. member is an economist and some economists remind me of certain psychiatrists. Under the latter's care, the patient often gets worse. And I would not care to see the situation of eastern farmers get worse under an economist like the hon. member for Matapedia-Matane.

As a matter of fact, that is what we are afraid of on this side of the house.

Mr. Speaker, since the hon. member for Matapedia-Matane knew his bill would be brought forward in the house soon and that he would probably be appointed minister of agriculture for eastern Canada, during the summer recess why did he choose to go to Malaysia instead of taking this opportunity to visit farmers of eastern Ontario, Quebec and the maritimes, and experimental farms in

those provinces and to knock on the farmers' doors in order to find out all about their problems?

Malaysia is not the place to find out about those particular problems. And newspapermen have taken the minister to task for those very things I am telling him now. In fact, the hon. member for Matapedia-Matane was not being serious. He should have taken advantage of the recess to brush up on farm problems. If he had done so, I am convinced that he would not have made the statement of policy that we heard this evening, when he merely indicated some of the farm problems.

Mr. Speaker, we, on this side of the house, have been aware for a long time of the problems facing the eastern farmer. That is why the hon. member for Qu'Appelle (Mr. Hamilton) tackled them and visited the province of Quebec in order to become familiar with them. Following this visit, he had placed on the order paper, a motion providing for an increase in the farmers' income.

Unfortunately, we lost the election and we have not been able to implement that legislation.

Mr. Speaker, when the Minister of Agriculture smiles, we find it difficult not to smile ourselves.

However, for the information of the hon. member for Matapedia-Matane, may I give the results of the survey made by the caisses populaires and the welfare agencies of lower St. Lawrence valley.

The farm situation of the lower St. Lawrence valley, where the hon. member for Matapedia-Matane lives, is typical of that in Abitibi and even in Lake St. John district, except for the lake belt.

The brief divides the population into average farmers, small farmers, day labourers living on old farms, settlers and foresters; the first manage to live on $2,000, but what about the others?

And to show you an example of a family of the lower St. Lawrence valley, of Gaspe peninsula, here is an excerpt from the report:

Here is an example from a case considered by the agency:

Family: 2 adults, 9 children.

Animals: 1 cow, 1 heifer, 1 horse, 30 hens, 2 pigs.

Income (Annual):

Family allowances	$ 648
Unemployment insurance	336
Annual wages	900
Sale of fuel wood	30
Sale of pulp wood	360
Sale of animals	300
Other products	200
Premium	8
Total	$ 2,782

Expenses (monthly)

Food	$ 85
Term	92
Electricity and telephone	6
Clothing	34
Medical care	12
Taxes	7
Car expenses	8
School expenses	4
Miscellaneous	6
Farm expenditures	400
Annual Total	$3,448

In other words, Mr. Speaker, that farm is more than submarginal. It is but an example, but that situation somewhat reflects the farm situation in eastern Canada, and that is why eastern farmers would have liked to see the passage of the bill which was on the order paper when the hon. member for Qu'Appelle was minister of agriculture, for that measure included many advantages.

As a matter of fact, it would have helped the transportation of western grain to eastern Canada and increase the farmers' income.

Mr. Speaker, here are some principles and facts that should be known concerning a mutual assistance policy on feed grain transportation in the east.

1. There should be uniform and balanced prices throughout the east, so that no grain consumer will be at a disadvantage.

2. There should at all times be a sufficient and reliable supply of grain available to all, everywhere throughout the year.

3. There should be sufficient storage facilities available to satisfy the eastern consumer as well as the western producer.

4. It is a well known fact that water transportation is by far the least costly, but unfortunately seasonal, so there should be reasonable decentralization of storage facilities.

5. It is expected that by 1975, grain consumption will again increase by 50 per cent. Let us not forget that in 1960 it already amounted to 400 million bushels, 241 million being produced in the east while the rest came from the west. In general, 35 per cent of the feed grain is purchased by hog and other meat producers and two thirds are produced on the farm.

6. Price fluctuations in different places and at different times represent a great difficulty indeed for producers. An adjustment of these conditions would be an important basic reform.

Moreover, Mr. Speaker, there will surely be opposition to these measures in some circles.

It is extremely important that a bill be introduced as soon as possible for the storing of grain and its movement from western to eastern Canada. That would enable the early transformation of a raw material, grain, into finished products on eastern farms.

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Mr. Speaker, I should like to repeat here what I said recently. According to the Washington bureau of statistics, the United States will have a population of 300 million by 1980 and possibly 350 million by the turn of the century, that is less than 40 years from now. The population of Canada will not be stationary either. Meat consumption goes up as the population increases. As I said earlier, it is always better for a country like Canada to export raw material as fully processed as possible.

Now, when Canada exports a ton of barley, for instance, our economy is richer by approximately $50; in other words, Canada increases its foreign reserves by $50.

On the other hand, if that ton of barley in the raw state, is transformed into pork or beef in the east and the meat is exported, the same ton of barley brings $125 or more and becomes an additional source of income for the eastern farmer, benefiting at the same time to the economy of Canada as a whole.

In addition, if this product is processed in our country, jobs will be provided for the workers at a time when unemployment is a serious problem, and at least $75 per ton will be added to the international monetary fund which is depleted at the present time.

Mr. Speaker, there is no need to deal any longer with the beneficial effects for agriculture in eastern Canada of the legislation introduced by the former minister of agriculture, the hon. member for Qu'Appelle, if the house had given him the opportunity to carry it through.

In conclusion, I can think of no better instrument than a measure such as the one we introduced.

First, it would solve the problems of eastern farmers.

Second, it would provide the western producer with a firm market for his feed grain.

Third, that program would have contributed to strengthen the national economy by creating more jobs and permitting the export of a finished product instead of a raw material.

Fourth, that legislation would have contributed to provide for the future, which is the duty of any legislator aware of his responsibilities.

The policy of the present government, since it came into power, has been a failure, including the farm policy. The government has refused to assume its responsibilities.

I have here the 1962 platform of the Liberal party, which is certainly not very different from the 1963 version.

[Mr. Pigeon.]

Here is what we find:

Support of farm income
Improved price support system
Increased consumption of milk products

And a little further on, we read this:

A new Liberal government will initiate a national plan to promote better food habits, including the free distribution of milk in schools.

Mr. Speaker, during the summer recess, the two ministers of agriculture spent almost two months in Europe and Asia instead of approaching provincial authorities in order to arrive at an agreement which would not encroach on provincial autonomy, in connection with the consumption and distribution of milk in schools.

During an interview granted to a well-known newspaperman, the Minister of Agriculture No. 1 stated that he was interested in many things, but that he did not wish to discuss the appointment of two ministers of agriculture and the Canadian agricultural policy.

Mr. Speaker, the policy of the government is a failure and we urge the government to resign and call a general election, in order that, once and for all, the people may return to power a government which will ensure the prosperity of the country.

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, may I direct a question to the hon. member?

Mr. Deschatelets: Very well, go ahead.

Mr. Pigeon: With pleasure.

Mr. Lessard (Lake St. John): Following the hon. member's statement concerning the legislation which the Conservative government had included in its platform last year and which he just mentioned, can the hon. member tell us why his government waited until it was defeated before introducing this bill last year?

Mr. Pigeon: Mr. Speaker, I feel that the hon. member is not reporting the facts accurately. The bill was put on the order paper of the house and, the next day, the government was defeated.

Moreover, if the hon. member was intelligent, he would have noticed that the bill appeared in the *Votes and Proceedings* before the government fell.

Mr. G. C. Lachance (Lafontaine): Mr. Speaker, would the hon. member for Joliette-L'Assomption-Montcalm tell us how many trips he made while he was parliamentary secretary to the minister of agriculture?

Mr. Pigeon: Mr. Speaker, as parliamentary secretary to the minister of agriculture, I

represented the minister at the O.E.C.D. meeting in Paris, to discuss agricultural problems, for three days—

Mr. Deputy Speaker: Order. Does the hon. member for Quebec-Montmorency wish to ask a question?

Mr. Guy Marcoux (Quebec-Montmorency): Yes, Mr. Speaker. The hon. member for Joliette-L'Assomption-Montcalm said a little earlier that economists reminded him of psychiatrists. Could he tell us where he finds the resemblance?

Mr. Paul: They are both sick.

Mr. Pigeon: The hon. member for Berthier-Maskinonge-Delanaudiere has just given the answer.

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

Mr. Deputy Speaker: The hon. member is rising on a question of privilege?

Mr. Marcoux: Yes, Mr. Speaker. Even if I am not a psychiatrist, I feel that, in all fairness for those specialists of the medical profession, it is quite improper to say that they are sick people, and I ask the hon. member for Berthier-Maskinonge-Delanaudiere to withdraw his remarks.

Mr. Deputy Speaker: Order. I suggest to the hon. member for Quebec-Montmorency that there is no ground for a question of privilege here; I recognize the hon. member for Shefford.

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, we listened with attention to the future minister of agriculture for the east, who spoke after the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) who was also, at a certain time, aspirant to the office of minister of agriculture for the eastern provinces.

It is unfortunate that the hon. member for Joliette-L'Assomption-Montcalm did not, at the time his party was in office, put forward the fine principles that he outlined tonight. In fact, it occurs to me that, in 1958, the Conservatives were holding exactly 208 seats in the Ottawa parliament. They remained in office for six years and the then minister of agriculture, as well as the aspirant minister, who has just resumed his seat, were not able to carry out any of the famous principles advocated tonight by the hon. member for Joliette-L'Assomption-Montcalm.

If the hon. member for Joliette-L'Assomption-Montcalm had achieved only a quarter of what he outlined tonight, surely he would still be in office. In fact, if he is no longer in office, it is because he never could translate his fine words into action at the time he had the power to do it; he never could accomplish anything.

We also listened to the remarks of the future minister of agriculture for eastern Canada and we heard him bewail, and rightly so, the fate of the Quebec farmers.

He stated that the Quebec farmers were in an untenable position. This is true. But he said a little later that the situation was merely psychological. Well, Mr. Speaker, I hope that the Liberal party can find enough psychologists to settle the problem of the eastern farmers, because up to now, when anyone spoke of agriculture in this house, unfortunately, it was always about wheat. In my opinion, Canadian agriculture has much more significance and embodies much more than the simple matter of wheat, though this, we agree, is very important.

For the eastern farmers, we have butter, cheese, milk, millfeed, and feed grain, which has been mentioned in the house for only about a year.

It must be well remembered that last year, in this house, the then hon. member for Bellechasse (Mr. Dumont) raised an outcry, and I wish to point it out—he was the first to draw the attention of the hon. members to the fact that in eastern Canada, we have not the privilege of being able to buy our feed grain at normal prices.

I have here before me a bill from a co-operative society of ours, that is the agricultural co-operative society of Granby, according to which they bought—it is an example, by the way—wheat for $3.50 per hundred pounds; the bill amounts to $70.10 for 1,700 pounds of different millfeeds. Well, Mr. Speaker, it means that our eastern farmers have to pay about $4.25 per hundred pounds for millfeeds.

The Liberals and the Conservatives have been in power since confederation and the agricultural problems we have to face today have never been and shall never be solved so long as we do not take the proper and required means to correct these problems.

The farmer, in the twentieth century, is someone who has invested much capital and who face altogether many risks. He has invested capital on cattle, that is a living investment which, tomorrow, may be stricken, perhaps killed by some diseases.

Moreover, the farmers have invested much capital in their crops, which crops are subject to frost, wind, in brief to bad weather, or nature's whims and fancies.

After having ventured so much capital on machinery, crops, cattle, rolling stock and

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on the land itself, the farmer never knows the price he may get for his own production.

Presently, the eastern farmer in Canada is especially a slave to the trusts. He receives from them what they are willing to drop into his hat.

The farmers do an important job, they pursue a very hard profession, and they have proved it. They furnish a generous and good quality product in the country, but on the other hand, the more they produce, the more trouble they have to live. Why? Because they cannot solve a problem which is not their responsibility; they cannot solve the economic problem which confronts the farmers in our country.

Mr. Speaker, the hon. member for Matapedia-Matane (Mr. Tremblay), who is said to be the future minister of agriculture in the eastern provinces, made a great statement of principles. He advocated cutting production costs for the eastern farmers. But he did not tell us which means he will use to reduce the prices. He did not say that the eastern farmers may buy wheat in their country at the same prices as the Russians have lately, that is about $1.50 the bushel, which is equivalent to about $2.50 the hundred pounds. Why do the Canadian farmers have to pay about $1 more than the Russians? Because they are presently the subjects and the slaves of the trusts, as I said a few minutes ago.

An election campaign was held last April during which a stable government was advocated. The Liberal party was returned to power. I believe that the people somewhat considered this slogan in returning the Liberal party to office.

Well, Mr. Speaker, a stable government would also mean a stable farm policy, stable prices, for the farmer who, at this time, sees not only the cost of his farm machinery and implements increase from day to day but also the price of meal and feed grain, while the produce he grows and puts on the market, does not increase, in proportion with what he has to buy.

I have here in my hand a copy of a farm paper, *La Terre de Chez Nous*, of October 2, 1963, which contains a statistical report by Mr. D. E. Grandpre under the title, "La clef des champs" or rather a synthesis of the taxes which farmers have to pay today, as well as the steady increase in taxation in the last few years.

The municipal real estate tax has increased by more than 200 per cent on Ontario farms in the last 13 or 14 years. The total was $13.9 million in 1946, whereas in 1959, the figure had reached $42.3 million. Yet, in the same period, the net farm revenue was far from having risen in the same proportion of 200 per cent, but only increased by 29 per cent.

Which means that between the increased revenue and the increased taxes, there is a difference of exactly 171 per cent.

Those are the figures quoted by the federation of agriculture for that province.

A survey has also been made in the county of Restigouche-Madawaska, in New Brunswick, on the farmers' plight in that district.

If we glance over to our neighbour in eastern Quebec, we find the same conditions. Some 116 farmers who recently took a part in a survey in the county of Madawaska, unanimously stated that taxation is one of our main problems, if not the most important in their area.

The study was conducted by the federal rural economics division. The main results have just been published in the *Farm Economist* which is put out by that branch.

I think the Minister of Agriculture knows that publication. He should get some information on surveys made in the county, in order to settle those problems.

In the county of Madawaska, like elsewhere, and perhaps more than in other areas, municipal taxes have risen rapidly during the last few years. Around 1960 they represented 10.4 per cent of cash expenses on the 116 farms covered by the survey.

The figures quoted by one of our farmers give a pretty good idea of the additional charges brought about between 1951 and 1960. In that ten year period, the land tax climbed from $1.75 to $6.06 for every hundred dollars of assessment. The farm of the man I am speaking about, was assessed at $6,900; he paid $480 in land taxes in 1960, that's to say $342 more in yearly tax, according to the given assessment.

Well, in his speech, the future minister of agriculture for our eastern regions said not a word about the taxes, which are steadily going up everywhere. They affect the farmers who still managed to retain some of their assets, but who might soon lose them, because today from every quarter people seem to pile taxes upon taxes on their neighbours' property.

We heard this afternoon the speech of the hon. member for Qu'Appelle (Mr. Hamilton), the former minister of agriculture. I have here a copy of *Le Droit* dated November 12, 1962. At that period, the hon. member for Qu'Appelle headed the Department of Agriculture. He was quoted as saying:

The Minister of Agriculture, Mr. Hamilton, stated recently that the milk surplus is getting so large in Canada that strong and positive action will have to be taken to ease the situation.

The minister said that no government wants to force producers to reduce their production, but it is up to the federal government to warn the producers when they should reduce production voluntary or face a cut in support prices.

In other words, the minister of agriculture asked the Canadian farmers to reduce production if they want to enjoy the benefit of support prices for the products concerned. And

I have other recent press clippings concerning the administration of the new Minister of Agriculture. In *Le Droit* of July 31, 1963, one could read the following headline:

Skimmed milk surplus thrown away.

And again in *Le Droit* of September 13, 1963:

Our wheat surplus to be sold even at a lost.

Well, Mr. Speaker, I quoted those headlines to point out to the house that the problem facing agriculture today is not one of production but one of distribution. Milk, butter and cheese are needed in every part of the country. Canadians have a great need of a better and more diversified agricultural production.

I have here a press clipping dated September 14, 1963, where it is mentioned that a scheme has been set up in the United States providing stamps for the disposal of agricultural surplus. That scheme is called:

[*Text*]

The food stamp plan—chiefly sponsored by congresswoman Leonor K. Sullivan (Democrat, Montana) and Senator Hubert H. Humphrey (Democrat, Minnesota)—is proving a success, according to the New York *Times*. A report it carried sharply refuted past predictions that the program would prove a failure.

"A new 'currency' is finding its way into the cash registers of supermarkets and corner groceries," the *Times* said—

Under the program, a family certified by a local welfare agency can exchange the amount of money it normally would spend on food for coupons of greater value—

In the year ended last June 30, the *Times* reported, $31.2 million of food at retail prices was purchased by food stamps. Of this total, $18.6 million was paid by the government. Thus, needy families got $1 worth of food for 40 cents.

[*Translation*]

Mr. Speaker, that plan was applied in the United States. At the beginning, it was criticised and people predicted that it would be a failure. Nowadays, it is realized that the plan was a real success. It enabled the United States to dispose of a part of the farm production and I think it would be a good thing for our government, which so often follows the pattern set by the United States, to get the details of that plan in order to apply it here.

Our farm production is still plentiful nowadays. We have people who are in need, and if the government would set up a system of coupons to enable needy families to exchange them for the sums of money they spend each week to purchase food, a family spending $30 each week on food could obtain $45 worth of coupons. That would mean an increase in food expenditures and an increase in the disposal of our stocks. Then we could sell our products on our domestic markets before sending them abroad so that foreign countries might benefit from our abundant production.

Mr. Speaker, I wish that the Minister of Agriculture would be allowed to apply that coupon system. It would certainly help our families with an inadequate income and our farmers would be quite satisfied to sell their production at home.

Mr. Speaker, I call your attention to these suggestions and I wish the Minister of Agriculture would adopt them so that, in a year from now, the farming situation might be changed in Canada and so that the Liberal party would not be in the same position as the Conservative party which was rejected by the people before they could apply their beautiful policies.

I hope that the Minister of Agriculture can put those suggestions into practice as soon as possible, so that our people can benefit from a more adequate farm policy.

[*Text*]

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, I am indeed pleased to engage in the debate on the subamendment sponsored by the hon. member for Red Deer (Mr. Thompson), and the amendment which was brought to the attention of the house by the hon. member for Qu'Appelle (Mr. Hamilton). Following so closely on the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I should like to say that he accused my colleague of speaking only in terms of principles. I think that to have principles on your side is a fairly strong supporting argument to your case. Much better to have principles than to have neither principles nor fact on your side.

As the hon. member for Qu'Appelle was speaking this afternoon I endeavoured to interject to ask a question or two, and I should like the opportunity of prefacing my remarks at this time by asking these questions. I am of the opinion the hon. member for Qu'Appelle (Mr. Hamilton) said that if we were to apply $15 worth of fertilizer per acre we could increase our production of beef per acre by as much as $90 or $100 an acre. That was my understanding of what he said. First of all, $15 worth of fertilizer would be a heavy application and would not normally be applied in most of the beef producing areas. But if it were to be applied over 100 acres it would mean spending some $1,500 on fertilizer. Assuming a pound of beef is worth 25 cents it would mean one would have to produce approximately $10,000 worth of extra beef per 100 acres to

achieve the rate of increase of which the hon. member spoke, and I wish to suggest that before presenting such figures as these to the house the former minister of agriculture should check with someone who has had experience in producing beef cattle, because those figures were outrageous; beef producers do not make that kind of extra money by applying fertilizer. I heard someone interject to the effect that the hon. member for Qu'Appelle meant 15 pounds of fertilizer per acre. That would be just as ridiculous.

The other comment I wish to make on the remarks of the hon. member for Qu'Appelle is this: he suggested that the entire Liberal campaign was fought on a lie and that we said the 92 cent dollar was not good for the farmer. I do not believe any Liberal speaker ever said the 92 cent dollar was not good for the farmer.

Some hon. Members: Oh, oh.

Mr. Beer: I should like to remind hon. members, however, that the reason we had this 92 cent dollar was no reason for pride as far as Canada is concerned, because this was not a planned thing—it was a situation which came about through lack of confidence. That is why we have a 92 cent dollar. I am not saying it was a bad thing in the end. I am saying that the reason we had it was not a source of encouragement and congratulations.

The other point I have to make concerns feed grain. I would not have been the least surprised if the remarks we heard made this afternoon on this subject had been made by someone other than an hon. member who was formerly minister of agriculture, a man who had held down that important position for a considerable time. At the end of the last parliament he gave notice of a bill which it was intended should come before the house, and I believe he is not in a strong position to criticize a government which came into power on April 8 and which announced a policy on August 22 in respect of which two thirds of the appropriations have already been approved.

Mr. Pickersgill: April 22.

Mr. Beer: I was somewhat surprised at the wording of the motion which accuses the government of failing to take effective action with regard to eastern agriculture and, in particular, with respect to feed grain for eastern Canada. I should like to recall a comment made by the hon. member for Qu'Appelle when he was minister of agriculture. In 1962, he stated in a speech in western Canada that, now the problems of western Canada were resolved, he intended to turn his attention to eastern Canada. Well, if the minister had paid any attention to eastern Canada prior to the election of June, 1962, he would not have been obliged to turn his attention in that direction during the campaign.

It has been suggested that we should have made much more progress with the legislation we have brought before the house. I venture to say that if this government is guilty of any misdemeanor whatsoever, it is that we have tried too hard. The twenty fourth parliament was dissolved on April 19, 1962. The date of the general election was June 18 of the same year and the writs were all returned by July 18. The twenty fifth parliament met on September 27, and from July 18 to September 27 there are 71 days. This, under the former administration, was called a cooling off period. In the twenty sixth parliament the election was held on April 8, 1963; the writs were returned on May 8 and parliament met on May 16, eight days after the writs had been returned. Now, with 67 legislative days having gone by, we have presented much more legislation than was presented, probably, during a much longer period under the previous administration, during the time when we were told to cool off.

The government has been criticized for not taking effective action with regard to eastern agriculture, and particular attention has been drawn to the desirability of having a stable price for supplies of Canadian feed grain, and an opportunity for the expansion of eastern feed grain production. I have already indicated that a feed grain policy was announced on August 22. Implementation of this policy will mean that ample supplies of feed grain are to be placed in terminals in eastern Canada before the closing of navigation, and that assistance would be given to the movement of this grain to eastern terminals. In addition, the government proposes to introduce a forward pricing policy which would take much of the risk out of the movement of grain. Thus, the present government has moved much further along these lines than did the previous administration, which was content to follow the policies which were in force since 1941.

I should like to review some of the problems of eastern agriculture—problems, I may say, of which the present government is fully cognizant. Most of us realize that after the last war there was a tremendous increase in mechanization in the industry. Many farms in Canada were not able to use machinery as it became available, but many others found themselves able to use this equipment and were thus placed at a tremendous production advantage. Those which were not were placed at a corresponding disadvantage. I have been in the county of Bellechasse in Quebec and

I have been in New Brunswick. I believe farmers in such areas as these are at a tremendous disadvantage. When we think of agriculture as a whole, we realize that we are being our own worst enemies, because by the use of machinery we have increased our efficiency to a point where 25 per cent fewer farmers have produced 50 per cent more products. We have reached a situation where production per man hour has increased by 70 per cent. In fact, we have increased our efficiency to the point where we are producing more than we can conveniently sell at satisfactory prices. This is the penalty of over-efficiency. The result, of course, in the government's view is that eastern agriculture has to have some special attention. These many areas that I have mentioned have to be taken into consideration. We have to find new land uses for many of these areas, and some real assistance is going to have to be provided whether under the ARDA program or by some other means.

We believe that probably one of the real causes of the problem in eastern Canada was the tremendous increase in the cost of production at a time when farmers' income remained relatively constant. Our incomes have remained fairly constant since 1945, while our production expenses have increased by approximately 50 per cent. Therefore it does not require much of a businessman to realize that the eastern farmer as a result of this phenomenon is going to be placed at a tremendous disadvantage.

I also want to suggest that probably one of the main reasons we were placed at this great disadvantage lies in the fact that the economic growth of the country had slowed down. We had unemployment and therefore we had to discontinue much of our immigration. As a matter of fact, in 1962 more people left Canada than came to Canada. This is an unfortunate situation.

I suggest to the house that probably what Canada needs more than anything else is a buoyant industrial community and business community which will integrate and employ more people in Canada. There is nothing that the farmer needs more than another 10,000,000 mouths to feed, which would enable us to have more of our markets close to home and make us less dependant on export trade. So, Mr. Speaker, I suggest that the criticism that has been levelled against the government is quite unjustified and unfounded. I also suggest that the policies that have been put into effect in the comparatively short time that this government has been in power are worthy of the confidence and support of the entire house.

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, I sincerely believe that all members of the house, whether they represent farming communities and farmers directly or indirectly, are truly interested in the welfare of the Canadian farmer, and truly believe that something must be done to help their lot in the industrial country that we have today. That is why I believe it is unfortunate indeed that we who have waited so long to hear some indication of an agricultural policy from the government had to take the step of moving an amendment to a supply motion in order, by debate, to prod the government, we hoped, into an announcement of a definite agricultural policy.

We were very pleased indeed to see the Minister of Agriculture (Mr. Hays) rise in his place this afternoon. We thought that at last we would hear what the government proposed in the way of an agricultural policy to carry this country forward. May I say that I think nearly every member on this side of the house was shocked by the speech we heard from him this afternoon. We were literally shocked to hear a minister of the crown refer to a policy outlined by a former minister, in his sincere desire to appraise and put before the government the problems of agriculture, as a bunch of junk. I believe those were the minister's words.

This seems to me a very ill advised remark to be made by the man who is the head of the Department of Agriculture. We have watched this man since he took office. I have a great deal of admiration for him. We have watched his dynamic personality. We have watched the way that he proposes to meet all problems head on. But when he got up this afternoon and gave that very weak and miserable outline of policy we were, as I said before, shocked. But when you analyse the policy and analyse the man you can understand why he would make such a speech this afternoon. This man is a businessman. This man is a salesman. This man can sell; but when he has nothing to sell the result is exactly what we heard today.

We hoped to hear some enunciation of policy by the parliamentary secretary, the hon. member for Peel (Mr. Beer). I think the hon. member for Peel is sincere in his position and in his desire to help agriculture, but once again we heard no explanation of policy. We heard a political speech such as we might hear on the hustings. It is unfortunate indeed that government speakers would resort to political tirades at a time like this, when farmers all over the country are waiting for some indication of a policy.

Indeed, Mr. Speaker, may I point out that in July when the hon. member for Peel, substituting for the minister, was invited

by the millers and elevator men of south-western Ontario to speak to them he did develop his theme with a great deal of painstaking effort. But, Mr. Speaker, his theme was not the grain policy of the country. Rather, it was the official opening on the first day of parliament. When these same gentlemen asked the hon. member for Peel what the policy of the government was on grain, he said it had not been formulated yet and when it was formulated it would be announced to the house and to the people.

May I call it ten o'clock, Mr. Speaker?

BUSINESS OF THE HOUSE

Mr. Knowles: Is the hon. member for Winnipeg South Centre not going to ask what the business will be on Wednesday?

Mr. Pickersgill: The business as prescribed by the rules.

Mr. Knowles: On Wednesday. The minister might listen.

Mr. Pickersgill: Well, I think the hon. gentleman knows of my disabilities.

Mr. Knowles: Yes.

Mr. Pickersgill: I had hoped to discuss the business for Wednesday through the usual channels tomorrow and to indicate it at that time. Since I have been asked, I think the government has pretty well decided that we will ask the house to give second reading to the income tax bill.

At ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Tuesday, October 15, 1963

The house met at 2.30 p.m.

PRIVILEGES AND ELECTIONS

THIRD REPORT OF STANDING COMMITTEE ON PRIVILEGES AND ELECTIONS—MR. CARON

[*Text*]

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. J. E. Walker (York Centre): By unanimous consent, Mr. Speaker, I move that the second report of the standing committee on privileges and elections presented on Wednesday, October 9, be now concurred in.

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

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I take it that consent has been given for the motion to be put and it is therefore before the house for debate. Has unanimous consent been asked for and given, Mr. Speaker?

Mr. Speaker: Unanimous consent was asked for but so far we have only the motion before us, which in my opinion has not as yet been adopted.

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I ask the committee not to give unanimous consent today for the reason that there is on the order paper a supply motion with an amendment affecting the interests of agriculture. It seems to me that because of the wording of that amendment we should discuss that matter today on the supply motion and leave this other matter over until another day. Therefore I intend not to give unanimous consent.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, since this report was tabled on October 9 and notice given on two occasions that this motion would be made, the house certainly cannot be said to have been taken by surprise in this matter. As early as last Friday I indicated that if possible on Monday, and if not certainly today, this motion would be made, so there was unquestionably adequate notice given.

Mr. Speaker: It is quite true that verbal notice was given, I believe by the Secretary of State, but written notice is required. Unless there is unanimous consent in the matter I do not think we can proceed. Does the house give unanimous consent?

Some hon. Members: Agreed.

Mr. Peters: No.

Mr. Speaker: Inasmuch as unanimous consent is not given we will have to proceed with motions.

UNITED NATIONS

CANADIAN CONTRIBUTIONS TO SPECIAL FUND AND TECHNICAL ASSISTANCE PROGRAM

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I wish to inform the house that when the pledging conference is convened today at United Nations headquarters in New York to enable countries to pledge voluntary contributions to the United Nations special fund and to the United Nations expanded program for technical assistance, Canada will be pledging a substantial increase in its contribution to the special fund.

The government has authorized that we may pledge $5 million for 1964, and this increase over last year's contribution to the fund of $2.35 million in United States funds is evidence of Canada's support for the important pre-investment technical assistance activities of the special fund and for its able and dedicated managing director, Mr. Paul Hoffman. The special fund has attained only 70 per cent of its target of $100 million.

The target of $50 million for the expanded program of technical assistance was reached in 1963, and Canada's pledge to the expanded program for 1964 is being made at the same level as last year.

NATIONAL DEFENCE

NEGOTIATIONS FOR PURCHASE OF SUBMARINES FROM UNITED KINGDOM

On the orders of the day:

Hon. Leon Balcer (Three Rivers): I should like to direct a question to the Minister of National Defence. Could the hon. gentleman tell us whether at the present time there are any officers of the Royal Canadian Navy, or any officials of this government in Great Britain discussing the purchase of submarines for the Royal Canadian Navy?

Inquiries of the Ministry

Hon. Paul Hellyer (Minister of National Defence): I cannot say for certain. As far as my knowledge goes the answer to the hon. member's question is in the negative. However, I should have to take the question as notice if a firm answer is wanted.

Mr. Balcer: A supplementary question. Has a contract been signed?

Mr. Hellyer: No, Mr. Speaker.

THETFORD MINES, QUE.—STATUS AS DEFENCE ZONE

On the orders of the day:

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Is the city of Thetford Mines, Quebec, considered to be a number one defence zone in Canada?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I do not know what a number one defence zone is. If the hon. gentleman will enlighten me perhaps I can answer him.

CANADIAN CONSTITUTION

SUGGESTED CONSIDERATION BY DOMINION-PROVINCIAL CONFERENCE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Prime Minister. Is it the government's intention to call a federal-provincial conference in order to revise the Canadian constitution of 1867, before we celebrate Canada's centennial?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): My colleague the Minister of Justice has already made a statement on that subject with which, I am sure, the hon. member is familiar. There will be a federal-provincial conference in Ottawa in November, and though it has not been called primarily for such a purpose this matter could be raised by any province which desired to do so.

SUGGESTED COMMITTEE TO CONSIDER BRITISH NORTH AMERICA ACT

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, may I direct a question to the Prime Minister?

Does the Prime Minister expect to set up a parliamentary committee entrusted with re-shaping or amending the British North America Act, as required?

[Mr. Balcer.]

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, this is not a question that can be answered on the orders of the day. There is at present no intention on the part of the government, however, to set up that committee.

HEALTH AND WELFARE

ROYAL COMMISSION—INQUIRY AS TO REPORT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): I wish to address a question to the Prime Minister. Could the right hon. gentleman tell us when he expects the report of the royal commission on medicare to be brought down? I believe the last time this question was asked the Prime Minister thought the report would be available in September. I wonder whether he has any later word as to when we might expect it.

Right Hon. L. B. Pearson (Prime Minister): I do not think it is likely to brought down for a month or so, but I hope it will be available by the end of November or the beginning of December.

LABOUR CONDITIONS

FALCONBRIDGE NICKEL—PROPOSED LAY-OFF OF EMPLOYEES

On the orders of the day:

Mr. Erik Nielsen (Yukon): I wish to address a question to the Minister of Labour. Have representations been made to the minister by the international union of mine, mill and smelter workers concerning the proposed lay-off of 530 employees at the Falconbridge nickel mines on October 31 next? If so, could he inform the house what action is intended by the government in order to avert this disastrous lay-off?

Hon. A. J. MacEachen (Minister of Labour): Along with my colleague the Minister of Mines and Technical Surveys, and my parliamentary secretary I met a delegation from this area this morning. The representatives presented a brief containing certain proposals which are now under consideration by the government.

[*Later:*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, my question is directed to the Minister of Labour. It has to do with the situation at the Falconbridge nickel mine. Would the minister approve the gesture by labour that the men work three weeks out of four and that for the fourth week they be paid

unemployment insurance benefits? Is the minister aware of the good faith of the working men, and would he give serious consideration to this matter?

Hon. A. J. MacEachen (Minister of Labour): Yes, Mr. Speaker, I am certainly aware of the good faith and anxiety of the persons I met this morning. This is one proposal that was advanced, and it will be given very careful consideration.

APPLICATION OF SUPPLEMENTARY CONSTRUCTION AND TAX INCENTIVE MEASURES

On the orders of the day:

Mr. G. H. Aiken (Parry Sound-Muskoka): I wish to address a question to the Minister of Labour. My question relates to his announcement yesterday concerning areas of high winter unemployment and the municipal winter works program. Do the newly designated areas—Bracebridge, for example—qualify for the supplementary federal winter construction program and the special tax incentive measures?

Hon. A. J. MacEachen (Minister of Labour): The areas of high winter unemployment are eligible for assistance under the accelerated federal winter construction program together with the additional 10 per cent federal contribution under the winter works program. Both are intended to assist in the provision of employment.

Mr. Aiken: Do the special tax incentives for new industry apply to these areas?

Mr. MacEachen: Not unless those areas have qualified in accordance with the criteria used for the designation of areas of slow growth.

THREATENED STRIKE OF SEAMEN'S UNION

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to address a question to the Minister of Labour. Is the minister aware of a story appearing in the Montreal *Star* today to the effect that the S.I.U. is planning a strike of its members as soon as the government appoints trustees under the legislation passed last week? May I ask what plans, if any, the government has made to meet this serious threat?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I had not been made aware of such information at all until I heard it from my hon. friend.

TORONTO—REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to ask the Prime Minister if he is in a position yet to make the statement on the winter works project for the city of Toronto that he indicated on Friday he would make on either Monday or Tuesday.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have a draft letter to the mayor of Toronto which I hope to get off to him this afternoon. If my hon. friend will give me an extra day of grace I will be able to base my statement on that and give it to the house tomorrow.

MANITOBA—EFFORTS TO SETTLE STRIKE OF CARPENTERS

On the orders of the day:

Mr. Joseph Slogan (Springfield): Mr. Speaker, I have a question for the Minister of Industry. Would the minister comment on the carpenters' strike in Manitoba as it affects construction at the Whiteshell nuclear research establishment and the Pinawa townsite? Could he indicate whether any official of Atomic Energy Limited or any other member of his staff is taking any part in the negotiations to settle the strike?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, this is a strike by the local carpenters union against one of the contractors employed by Atomic Energy of Canada Limited on the construction of the Whiteshell reactor in Manitoba. This is a dispute between a local contractor and a local union. It falls under the jurisdiction of the provincial government, and it would be inappropriate for me to make any comment.

PUBLIC SERVICE

CHIBOUGAMAU, QUE.—REPORTED RESIDENCE RESTRICTION IN ADVERTISEMENT

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Secretary of State.

On June 26, 1963, I asked the Secretary of State why civil service competitions for the Chibougamau area were restricted to residents of that region and to those of Lake St. John district, thereby excluding the residents of my constituency.

As shown at page 1608 of *Hansard*, the minister replied that he would call the attention of the civil service commission to this matter.

Inquiries of the Ministry

Well, recently we received two other posters announcing positions open only to residents of the Chibougamau and Lake St. John areas.

Would the minister tell us why residents of my riding are always excluded from those competitions held by the Department of National Defence at Chibougamau?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I will be glad to make inquiries.

CANADIAN BROADCASTING CORPORATION

INQUIRY AS TO OTTAWA PROGRAM "NIGHT FINAL"

On the orders of the day:

Mr. G. D. Clancy (Yorkton): Mr. Speaker, I should like to address my question to the Secretary of State. It has to do with the C.B.C. and the program "Night Final" on CBOT last night. It is in four parts. First, who is Mr. Howard Gray who was interviewed on October 14 on "Night Final", CBOT, Ottawa on the subject of prepaid subscriptions, with the theme that this should be extended beyond Toronto? Second, what are the qualifications that are required from a promoter to have a film sent from Toronto to Ottawa for inclusion in local news?

Some hon. Members: Order.

Mr. Speaker: Order. Would the hon. member put this question on the order paper, please.

Mr. Pickersgill: Mr. Speaker, I do not have the faintest idea.

REPORTED STATEMENT ON PROGRAM "HORIZON"

On the orders of the day:

Mr. S. J. Enns (Portage-Neepawa): Mr. Speaker, I wish to direct a question to the Secretary of State which pertains to the otherwise excellent reputation of the R.C.M.P. My question arises out of a program produced and televised by the C.B.C. on Sunday last entitled "Horizon" and the remark to which I am alluding is this. The commentator made reference to the denial of the right of an accused to be allowed to contact his lawyer or his family at the time of his arrest. I am certain the R.C.M.P. is not guilty of any such malpractice—

Mr. Speaker: Would the hon. member state his question, please.

Mr. Enns: Would the minister check with the C.B.C. and assure the house that the R.C.M.P. is not guilty of such malpractice?

[Mr. Laprise.]

Mr. Pickersgill: Mr. Speaker—

Mr. Speaker: Order. That is a question for the order paper.

FISHERIES

NEWFOUNDLAND—STEPS TO RELIEVE BAIT SHORTAGE

On the orders of the day:

Mr. J. R. Tucker (Trinity-Conception): Mr. Speaker, I wish to direct a question to the Minister of Fisheries. In view of the unsuccessful efforts of a private company to relieve the squid bait shortage in Newfoundland by trawling, will the minister consider making available a dragger to trawl for squid within the three mile limit off the coast of Newfoundland?

Mr. Speaker: I suggest this is a question for the order paper.

SUGAR

REQUEST FOR STATEMENT ON INQUIRY INTO PRICE INCREASES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, in the absence of the Minister of Justice I wish to direct a question to the appropriate minister. My question is based on letters I have received from indignant officials and members of various organizations and from infuriated housewives and the consequential inquietude of the member for Kootenay West. In view of the minister's answer to a question asked by the member for Lake St. John on June 13 with respect to the investigation into the increase in the price of sugar, has the minister any information to give the house with respect to government action or intention on this important question?

Mr. Speaker: I suggest this is a question for the order paper.

POST OFFICE DEPARTMENT

LOTBINIERE COUNTY, QUE.—REQUEST FOR IMPROVED SERVICE

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I should like to put a question to the Postmaster General.

There is, in the county of Lotbiniere, a picturesque municipality called St. Janvier de Joly, whose mayor is Mr. Andre Longchamp and the secretary-treasurer, Mr. Adrien Lambert.

I wish to ask the minister whether he has examined a resolution carried unanimously by the municipal council of St. Janvier de Joly—

Some hon. Members: Order.

[*Text*]

Mr. Speaker: Would the hon. member put this question on the order paper?

[*Later:*]

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I should like to direct a question to the Postmaster General. Has the minister planned any changes with respect to the mail service in Lotbiniere county and especially in the St. Janvier de Joly municipality?

[*Text*]

Mr. Speaker: That question should be placed on the order paper.

HIGHWAYS

CONSULTATION WITH PROVINCES RESPECTING NATIONAL POLICY

On the orders of the day:

Mr. Frank Howard (Skeena): On October 4, Mr. Speaker, I asked the Minister of Public Works about plans for putting into effect the announcement he made on July 17 concerning the calling of a dominion-provincial conference on highway matters. At that time he said no decision had yet been made. I wonder if the minister could indicate to the house whether arrangements have been made for such a conference.

Hon. J. P. Deschatelets (Minister of Public Works): I think I have already answered this question by saying that no definite plans have been made. This is a matter of government policy, and in due time I shall inform the house whether anything can be done in respect of this matter.

Mr. Howard: May I ask a supplementary question. Can the minister say whether he has communicated with the various provinces, and if so which ones have not yet answered?

Mr. Deschatelets: The ministers of roads or highways in the various provinces have been communicated with, and we have received all the information available. Now it is up to the government to take the initiative. As I have stated, this is a matter of government policy, and in due time I shall let the house know what is to be done.

Inquiries of the Ministry

CANADIAN NATIONAL RAILWAYS

MASTER AGENCY PLAN—ALLOCATION OF BOX CARS

On the orders of the day:

Mr. H. M. Horner (Jasper-Edson): I should like to ask the Minister of Transport a question concerning the implementation of the master agency policy in my riding by the Canadian National Railways. Is the minister aware that there are grain box cars sitting on the sidings of these towns about which the elevator agents are not being informed by the Canadian National? Is he going to take up this matter immediately with the Canadian National in order to have that company follow the laws of Canada in the implementation of this master agency plan?

Hon. G. J. McIlraith (Minister of Transport): As soon as I can get a copy of the transcript of *Hansard* and I can untangle the statements, I will immediately take up any question that is involved which will help move grain quickly to the seaports and speed up the shipment of grain to our foreign customers.

Mr. Horner (Jasper-Edson): Would the minister not agree that this implementation of the plan by the Canadian National is a direct violation of the statutes of Canada?

Mr. McIlraith: No, Mr. Speaker.

HOUSE OF COMMONS

SUGGESTED INCREASE IN FRENCH REPORTING AND TRANSLATION STAFFS

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State.

In view of the fact that again this morning complaints were made before the railways committee that the French version of the report was not available because of the delay in translation, has the Secretary of State taken steps to increase the translating, reporting and printing staff of committee reports, in order to give satisfaction?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I have brought this situation to the attention of His Honour the Speaker, as Your Honour well knows, and of the commissioners of internal economy. I think it is a very serious situation, and I would welcome from any quarter of the house any suggestions as to any effective means of meeting it, including any recommendations of competent persons who would be willing to accept positions to carry

out these important functions that are so necessary to the proper working of this parliament.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I rise on a question of privilege. Hon. members have a right to get the French version of a report just as quickly as the English version.

We called the attention of the Secretary of State to this matter on several occasions, and every time he asked members of the house and especially members of the opposition to try to find competent people. That reply is somewhat similar to the one which was given by the president of the C.N.R. when he said that he did not have adequate staff for the translation and printing of the French version of reports. Consequently, Mr. Speaker, since I am speaking on a question of privilege—

[*Text*]

Mr. Speaker: Order, please. I think the Speaker has the floor. The point of the hon. member for Lapointe is in the nature of a complaint: it is not a question of privilege. I understand very well the implications of the complaint and, needless to say, we all sympathize with the point he is making. But there are certain factors which perhaps the Secretary of State in an effort to speed the proceedings of the house and not delay its business, did not explain.

The problem raised by the hon. member for Lapointe has been under consideration for the last two months. It was under active consideration this morning. It is going before the commissioners of internal economy within two days. It is not quite as simple of solution as the hon. member expresses. It requires increases in salaries which would be payable all the way up and down the line, and is a major renovation of the whole system.

I do not want to say anything more at this time, but I would ask hon. members to take my word that it is a very serious problem affecting the efficiency of the house, and it is under the most complete consideration and investigation at the present time.

[*Translation*]

Mr. Gregoire: May I ask a supplementary question? As leader of the house, does the Secretary of State intend to see to it that the internal economy commission, which is to meet soon, may examine the matter in the light of necessary and complete bilingualism, even if it is necessary to pay the price? Is the Secretary of State ready to pay that price so as secure full bilingualism in the house?

[*Text*]

Mr. Pickersgill: Mr. Speaker, if I were to express my personal opinion on this matter I would say that I think in this, as in any other essential service, we should pay what is necessary to get competent service. That is my view, but it is a personal opinion. This is not a matter that is any more my responsibility than it is the responsibility of any other hon. member of the house. This is a matter of the housekeeping of the House of Commons. While I have a certain duty to answer these questions because we cannot question His Honour the Speaker, the matter, as His Honour very properly pointed out, is the responsibility primarily of His Honour the Speaker and the officials of the house.

I am sure that the members of the government in so far as they can will co-operate fully to see that these essential services are provided. If that is going to involve some adjustment in salaries, and if that will cure the problem, in my opinion it should be done.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, on a point of privilege. I hope, Mr. Speaker, that you will hear me and let me explain my point. I do ask you to be most tolerant because what I have to say might take a few minutes, and I am doing this to help the Secretary of State (Mr. Pickersgill) and yourself.

I would, first of all, like to thank you for your co-operation in the various committees, and more particularly the one where I have the pleasure—

Some hon. Members: Order.

Mr. Boulanger:—where I have the pleasure and honour to act as chairman, the railways committee. In order to show how some people, and more particularly my colleague, the hon. member for Lapointe (Mr. Gregoire), lack responsibility, I would point out that this morning there were but four members of the Caouette group in our committee. I shall name them: the hon. members for Lapointe (Mr. Gregoire), for Quebec East (Mr. Beaule), for Roberval (Mr. Gauthier) and for Charlevoix (Mr. Belanger)—

Some hon. Members: Order.

Mr. Boulanger: —even with a continuous interpretation service, they did not deem it advisable to attend the committee for more than ten or fifteen minutes.

And then they come to the house to gibe and try to say that bilingualism is not observed in our committees, or elsewhere.

I therefore raise a point of privilege in connection with this lack of responsibility; as a matter of fact, we should not give them more importance than they deserve.

Mr. Gregoire: Mr. Speaker, I rise to speak on the point of privilege raised by my hon. friend—

[*Text*]

Mr. Speaker: Order. In as much as the hon. gentleman was mentioned—and in my opinion he should not have been mentioned—if he wishes to correct any misrepresentation that is fine, but I hope it will be very short. I doubt if it is at all necessary for him to speak.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I think there is nothing to try and correct. The question of privilege raised by the hon. member for Mercier (Mr. Boulanger) speaks for itself and the house is in a situation to judge which one lacks responsibility. He has proved it by his few words.

Mr. Speaker, the correction that could be made would perhaps be the following one. This morning we went to the railways committee, we stayed there until eleven o'clock and we had to leave to attend another meeting. That is the only explanation; there is no other.

[*Text*]

Mr. Churchill: On a question of privilege, Mr. Speaker, would it be in order for me now to recount happenings going on in the defence committee?

WORLD FAIR

INQUIRY AS TO SALARY OF COMMISSIONER

On the orders of the day:

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, my question is directed to the Minister of Public Works and if he cannot reply, I would ask the Prime Minister to do it for him.

On October 2 I asked the Minister of Public Works what salary was going to be paid out to the new general commissioner of the world fair. On October 9 I asked the same question and the minister stated to the house that he would reply in a few days but to date we have not had an answer.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, to both those questions I answered that the chief commissioner was still with the Department of External Affairs. There is nothing changed.

Mr. Valade: Mr. Speaker, may I ask a supplementary question?

Does the Prime Minister intend to remunerate the new general commissioner and could he tell us when his present post with the Department of External Affairs will come to an end?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, the commissioner is on leave from the Department of External Affairs. He would have, I understand, a good many weeks of retirement leave in any event, and it would seem unnecessary to pay him a salary as commissioner when he is on the salary list of the Department of External Affairs until that leave expires.

[*Translation*]

Mr. Valade: Mr. Speaker, may I ask a further supplementary question? I should like to have the Prime Minister's answer clarified.

Does he consider the world fair's general commissioner as a federal civil servant or as a commissioner who would be free from the present government's control?

[*Text*]

Mr. Pearson: At the moment, Mr. Speaker, he is a civil servant taking on this other assignment as commissioner and giving all his time to it.

PENSIONS

INQUIRY AS TO CONSIDERATION OF LEGISLATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the disquieting rumours about the effect of the campaign of the life insurance companies against the Canada pension plan, could the Prime Minister assure the house that legislation to establish the Canada pension plan will definitely be proceeded with at this session?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, we intend to proceed with legislation in this matter as soon as possible.

Mr. Knowles: Mr. Speaker, would it be possible for the Prime Minister to say whether that "as soon as possible" means this session?

Mr. Pearson: Mr. Speaker, it depends among other things on the hon. gentleman and all hon. members of the house and how long we take over the legislation we are now considering.

NORTHERN AFFAIRS

OIL AND GAS LEASES—STATEMENT ON SALE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, has the Minister of Northern Affairs and National

Inquiries of the Ministry

Resources the statement which he promised the house yesterday he would make today respecting the sale of substantial oil and gas leases in northern Canada?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, like my hon. friend I have been trying to get the floor for some time. Yesterday the hon. member for Yukon asked if I would make a statement in respect to the bids under sealed tenders last Thursday for oil and gas locations in the Yukon and Northwest Territories. I am pleased to inform the house that 15 permits, consisting of 752,237 acres, were sold to the highest bidders for a cash bonus consideration of $481,693.15, or an average of 64 cents per acre.

In addition, a number of blocks of permits were offered in return for an undertaking to perform exploratory work. Tenders were received on ten blocks, consisting of 74 permits and 3,854,126 acres, and the highest tenders amounted to a total of $7,919,065.02, or an average of $2.05 per acre.

The area of greatest interest was situated along the Yukon-Northwest Territories boundary, south of Fort McPherson and Arctic Red river in what is generally called the Peel plateau area. The offer by several oil companies to spend, during the first term of the permits, close to $8 million on exploratory work over and above the basic work commitment for the same period of $770,825.20, indicates a strong and continuing interest in northern explorations on the part of the oil industry.

If hon. members agree, I should be pleased to table the detailed results of the sale as part of my remarks.

Mr. Speaker: Does the house agree?

Some hon. Members: Agreed.

[*Editor's note: The document above referred to is as follows:*]

Appendix A

Results of sale of oil and gas permits by tender, held 2:30 p.m., October 10, 1963.

Parcel No.	Successful Tenderer	Cash Bonus Offered
38-63	The California Standard Co.	$ 12,643.62
39-63	" " " "	5,491.14
46-63	Imperial Oil Enterprises Ltd.	26,699.06
47-63	" " " "	26,699.06
48-63	" " " "	26,699.06
49-63	" " " "	13,349.53
50-63	The California Standard Co.	513.13
52-63	Shell Canada Limited	12,575.00
53-63	" " "	25,395.00
57-63	" " "	75,995.00
61-63	" " "	101,195.00
62-63	" " "	75,995.00
63-63	Imperial Oil Enterprises Ltd.	52,493.33
64-63	Socony Mobil Oil of Can. Ltd.	13,017.61
65-63	" " " " " "	12,932.61
		$481,693.15

Block No.	Successful Tenderer	Work Bonus
16-63	The British American Oil Co.	$ 56,845.90
31-63	The Atlantic Refining Company	75,000.00
32-63	Imperial Oil Enterprises Ltd.	1,021,291.30
33-63	Shell Canada Limited	1,501,395.78
34-63	" "	1,751,395.78
35-63	Imperial Oil Enterprises Ltd.	701,703.64
36-63	" " " "	703,769.24
37-63	" " " "	705,826.50
38-63	" " " "	802,044.60
39-63	" " " "	599,792.22
		$7,919,065.02

Mr. Laing: While I am on my feet, Mr. Speaker, I would like to tell the hon. member that in respect to the higher Arctic islands, even though the exploratory work commitment jumps from 5 cents per acre to 15 cents per acre under the second three year agreement, that more than 41 million acres are still under permit and are being actively explored.

TRADE

DISCUSSIONS WITH U.S. RESPECTING WHEAT SALES

On the orders of the day:

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I wish to direct a question to the Secretary of State for External Affairs. Can he tell us if his department has received from United States authorities an invitation to send a Canadian representative to Washington to discuss the policy of our two countries with regard to the sale of wheat?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I feel that the hon. member knows very well that the Minister of Trade and Commerce answered that question a few days ago.

[*Text*]

INQUIRY AS TO IMPORTS FROM BULGARIA

On the orders of the day:

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce but, in his absence, I will put it to his parliamentary secretary.

Can the parliamentary secretary give the house the list of the main products that Canada can expect to receive following the wheat sale to Bulgaria?

[*Text*]

Mr. Speaker: This is a question for the order paper.

POWER

COLUMBIA RIVER—INQUIRY AS TO RENEGOTIATION OF TREATY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Secretary of State for External Affairs who, in our district, has become known as the second David Thompson because of his recent discovery of the Columbia. In view of the minister's announcement in Washington on September 6 that renegotiation could be recommenced between Canada and the United States on October 4, could the minister inform the house of the reason for the delay, and when these renegotiations are expected to commence?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, it is clear from my hon. friend's question that we may now regard him as a convert to the Columbia river treaty idea. As one who has examined this project I recognize the value of the support which he intends to give to it.

My hon. friend has already been informed that as a result of the meeting in Washington, working groups were set up for the purpose of examining the factors involved in the vital consideration of the price to be paid for the downstream benefits. One of the conditions which Canada has laid down is that, assuming all other factors to be agreed, Canada will insist on a price for the sale of the downstream benefits which would make this project self liquidating. The two working groups are examining complicated information that is vital to the ascertainment of a fair price. I welcome my hon. friend's support.

Mr. Herridge: As a supplementary question, does the minister not realize that the hon. member for Kootenay West is still opposed to the present treaty, but asked this question because of the intense suspense that many of his constituents have been kept in because of government indecision?

Mr. Martin (Essex East): Mr. Speaker, this government is rapidly removing that suspense.

EXTERNAL AFFAIRS

CUBA—INCLUSION AMONG COUNTRIES TO RECEIVE AID

On the orders of the day:

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, while I am on my feet may I take advantage of the occasion to answer a question put to me yesterday by

the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron). On October 10 the Acting Prime Minister announced that funds had been made available to the Red Cross for the assistance of stricken countries in the Caribbean. This assistance will be made available to Cuba if the examination now being made by the Canadian Red Cross into the regrettable situation in Cuba can be completed.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, as a supplementary question may I ask the Secretary of State for External Affairs whether this will be in addition to the somewhat niggardly $20,000 announced last week for assistance to the Caribbean?

Mr. Martin (Essex East): Mr. Speaker, the amounts offered and announced by the Acting Prime Minister may not meet all the obligations as a result of the regrettable devastation in the Caribbean, but my hon. friend will find that his adjective is hardly deserved in the light of the initial contributions made by other countries. Canada is vitally concerned to do all it can to assist the countries that have been stricken.

SUPPLY

The house resumed, from Monday, October 14, consideration of the motion of Mr. Gordon for committee of supply.

FEED GRAIN FOR EASTERN CANADA AND B.C.

Mr. H. W. Danforth (Kent, Ont.): Mr. Speaker, at the adjournment of the debate last night I was bringing to your attention the fact that during the course of the debate we had three of the main speakers on the government side dealing with the matter before us, the Minister of Agriculture (Mr. Hays), the hopeful minister No. 2 and the parliamentary secretary. I regret very much that although we were delving at that time into a question of the gravest importance to agriculture, we are speaking to the house this afternoon with both the Minister of Agriculture and the minister No. 2 absent from the house, so perhaps we will have to direct our remarks to the parliamentary secretary, the hon. member for Peel (Mr. Beer).

We were very distressed indeed, Mr. Speaker, to hear these three speakers from the government side of the house each in turn devoting the major portion of his speech to partisan politics. This can do no less than inject politics into a debate of the type we are now having, and that is unfortunate for this reason. The hon. member for Peel, in his haste to make a point which was a partisan one, committed a serious error, one

which I am sure is going to cause him some embarrassment. In criticizing the former minister of agriculture who had preceded him in the debate he took issue with a statement to the effect that an investment of $15 in fertilizer in the eastern provinces would in fact bring back a return of $100 if the fertilizer were applied to pasture lands used as fodder. This return would be brought back to the farmers in the sale of livestock. The hon. member for Peel said, in effect, that the former minister should check with somebody experienced in producing cattle, because these figures were outrageous.

Now, Mr. Speaker, it embarrasses me no end to bring to task the hon. member for Peel, who was a classmate of mine at university, because one of the things he was taught there was that you should never make a statement like that unless you have the facts to back you up. The former minister of agriculture was not drawing these facts out of a hat; he was quoting from the results of experiments conducted by the Department of Agriculture in Nova Scotia. These are the facts which the hon. member for Peel called outrageous. I submit, Mr. Speaker—

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

Mr. Danforth: Certainly.

Mr. Beer: I think *Hansard* will show clearly enough that the hon. member for Qu'Appelle said that an application of $15 worth of fertilizer would return $90 to $100 an acre to the farmer in the form of beef. That is not true.

Mr. Danforth: Mr. Speaker, this is just my point. This is the point brought out by the Department of Agriculture. If the hon. member would care to peruse the report he will see for himself that that is exactly the statement which was made. If the hon. member for Peel would spend some time at these various experimental stations and farms I think he would be able to learn the facts as they are in this stricken area of the maritimes.

We also heard from the hon. member for Red Deer, and I must pay tribute to him for remembering in his speech Thanksgiving day. I must say also that he expressed some knowledge of the sorry plight of some of the farmers in eastern Canada. But I must take exception to the rest of his speech, because in my opinion it dealt strictly with partisan politics. He tried to vindicate his stand. Although he criticized the policies of the former government he said that he is going to support to a degree the present government; then he turns round and brings in a subamendment condemning this very practice and indicates to the house that he will, as usual, support the government in any vote against them.

He also made the flat statement, on which I should like to take issue with him, that the former government contributed nothing to the agricultural policies of this country. Mr. Speaker, the name "Hamilton" is a household word on every farm in Canada because of the farm policies initiated by the hon. member for Qu'Appelle and the government he represented. In fact if the name "Hays" is ever known throughout Canada to the same degree I will be one of the first to laud his efforts on behalf of the farmers of Canada.

I am not going to labour the question as to what the government has or has not done. I think the hon. member for Timiskaming was very fair in his statement that the former government contributed something to agriculture but had made some mistakes as well. That is, as I say, a fair statement. He also stated that this present government may also contribute something to agriculture, and may make some mistakes as well. That too is a fair statement. But I should like to point out that from 1957 to 1962, according to the actual figures, the former government increased the average farm remuneration by 25 per cent. This is not a complacent attitude. This represents extra money in the pockets of the farmers.

After accomplishing that, the former minister became aware of the fact that this increase in remuneration was not uniform, that there were still many farmers not receiving a fair share of farm income. Thus policies were found to correct the grievous situation which existed at that time. That is why the former minister of agriculture turned to the problems of eastern Canada. That is why he advocated assistance to the feed lot operators of eastern Canada. That is why he advocated credit for farm storage, so that grain could be put into the eastern provinces and made available to those who needed it. That is why he advocated an average base mean price for grain for all farmers in the eastern provinces.

He was determined to move feed grain into the east in competition with United States grain moving by ship. He was determined to give the farmers in eastern Canada an opportunity to compete with other parts of Canada in the sale of their livestock. It was he who suggested there should be some deficiency payment or acreage payment to encourage production of livestock feed. It was he who advocated that fertilizer should be used to a greater extent in Quebec and eastern Ontario

as well as in the maritimes. These were all progressive steps intended to help eastern farmers.

We were happy to support these efforts by the former minister because we in Ontario, as in other parts of Canada, have a surplus of feed grain and, in my opinion, if we could deliver this grain to the maritimes and put them on a better competitive footing we would be most happy to do so.

I should like to deal now with the so-called policy, or lack of policy, put forward by the three hon. members who spoke from the government side of the house. I might say we found their speeches disappointing. I am sure they have done a great deal of investigating into this serious problem which faces agriculture. I am sure there are many on the government side of this house who are as anxious as we are to help the farmers.

Unfortunately it is impossible for us and for the farmers in this country generally to get any formal commitment as to policy from those hon. gentlemen who sit opposite. We heard the Minister of Agriculture tell us yesterday that income had increased and that the gross national income had gone up too. But we, as farmers, seem to be in the same position as other people; the rich appear to be getting richer and the poor to be getting poorer.

The minister told us he had a farm in the east and a farm in the west, that he had a farm of his own and that he milked dairy cattle. This is most interesting. He also told us that he had visited 32 countries and talked with various ministers of agriculture in those places. If he went to those places to learn, to observe, to study and to consult with those people, then he is to be commended. But in the light of events since April 8 the farmers across the nation are beginning to wonder whether he was, perhaps, sent to those countries in accordance with a definite government policy to keep him out of the House of Commons and, indeed, to keep him out of the country.

We heard a speech from the hon. member for Matapedia-Matane. He too made a partisan speech, but his was a little different. One received the impression that he was preaching for a call and trying to justify another bureau in this already topheavy department of government. He suggested that there should be a second minister of agriculture and that there should be a division of authority although, he was careful to add, they would all work together.

This is most interesting because in Quebec, Ontario and the four maritime provinces there are already six departments of agriculture with the federal Department of Agriculture making a seventh. Now the hon. member's solution is to add a further department of agriculture. In passing, it seems to me that if this government was as sincere in its efforts to help farmers in eastern Canada as it professes to be, it could have taken advantage of a grand opportunity to make this clear. Hon. members opposite said they would appoint a minister of agriculture for the east. When they returned to power, with so few members from the west, everyone in Canada would have applauded them, I think, if they had appointed a minister of agriculture for the east at that time to take care of this very situation which they are so worried about today.

I was interested in one of the projects mentioned by the hon. member for Matapedia-Matane. He gave the house a review of studies which are being made in the maritimes, in Quebec and in Ontario, and said the government was looking into ways and means of helping the farmers there. There were many good points among those he outlined, but I had the feeling they were brought up in order to create confidence among the farmers of this nation, to make them feel that the present government was going all out to help them.

One of the points the hon. member made struck me as being strange indeed. He said they had a committee set up—I cannot recall the exact words, but this was the intent—to look into all matters affecting agriculture in the maritimes. How can this statement inspire confidence among the farmers of the maritimes? In April and in the period before that date, they had all the answers. Now, in October, they are looking into the questions.

It is true that in the policy they enunciated before the election hon. members opposite did put forward many points which in my view had a great deal of merit. In fact I should like to see those proposals discussed in the house by members on all sides so that we might decide whether something of a constructive nature could be done to help those farmers of whom we are speaking.

A great many promises and commitments were made. In my own area, for example, we grow a large crop of soybeans. What were we told? Candidates representing the party opposite came into the area and said the farmers were entitled to a floor price of at least $2.40 a bushel for those soybeans. Subsequently they established a policy, though the matter was never debated in the house. What was it? It amounted to $2.16 for soybeans.

Eastern Agricultural Policy Lacking

Let me give the house another example. They said the time had come to introduce a policy for sugar beets. They said that immediately after a government had been formed they would look into this question of sugar beets. Here we are, many months later—the hon. member for Red Deer said six months—and not a word has been said about sugar beets. This is why farmers across the nation are losing confidence. They looked forward to the arrival of these men. These were the men who had the answers. They were to be the salvation of the farmers of Canada. What disillusionment, what a disappointment they suffered.

I should like to discuss some of the promises which were made to the eastern farmers, the people about whom hon. members opposite now worry so much. They said there would be an increase in farm loans. I think there is some merit in this idea, but I should hate to see the program "blow the lid off" as the Minister of Agriculture described it. They blew the lid off the budget and the country has suffered ever since. I think there should be a great deal of study and thought given to this subject. They were going to increase the freight subsidy and put more crops under the deficiency payment program. They promised to increase research, to establish a higher floor price for wheat, to extend greater assistance to sugar beet and soybean producers. They were going to help the farmer. But here is the real gem. This was said by their leader, speaking in Port Arthur on March 8 last:

> Another immediate change would be "changes in the nature of assistance to agriculture, changes without additional burden on our treasury"—

That says no more money in my language—"changes without additional burden on our treasury"—

> —and "our farm assistance program will be more effective than the present assistance being given to farmers, but it will not necessarily add to our total expenditures".

Might I point out that a general would love a condition like this where you can charge and retreat, negotiate an armistice and protect both lines at the same time. The farmers are getting tired of these painless potions and pink pills. They want more than verbiage. They do not want to be buried under countless pages of talk, under countless committees looking for ways and means to help them. The farmers know the problems. They know the ills. They know what should be done.

We have in this country one of the finest departments of agriculture in the world. As a matter of fact it is envied by all the world. This department has made advances in agriculture that have amazed the world. This is the department that minister No. 2 is going to divide. Sir, when we hear them talk about dividing and adding to committees we begin to think about that terrible bugaboo of patronage. We have had too much experience with patronage. When I hear them say that they must increase the number of men in the department who can speak French, may I say I have no objection to men of French origin or the French tongue being taken on staff in the Department of Agriculture. But I do insist on one thing, that the main criterion for a man to join the Department of Agriculture not be the language he speaks but his ability. I do not care what his second language is if his first language is a knowledge of agriculture in Canada.

At the beginning of the session the Minister of Agriculture started to answer our questions. He was a new man faced with a large portfolio and sitting in the house for the first time, and he did make mistakes. The house laughed at times but members were laughing with him, not at him. It was refreshing indeed to have a man come in the house and not give the same old pat answers that we receive time and time again. But all at once he started to give us pat answers and to ask that any question of a controversial nature be placed on the order paper. He had had a conference with the front bench opposite, and he had got his orders. He had got the message. It was to be politics and not facts.

Yesterday we heard the minister challenge the former minister to a milking contest or to see who could plow the straightest furrow. This is reducing the efforts of the Minister of Agriculture right down to the level of a theatrical performance. It is not like the Minister of Agriculture to indulge in such things. But when you see what is going on, when you see this minister asked to take over the portfolio and he does not know whether he has the sole responsibility or whether he has to share the responsibility with someone tomorrow; when wheat sales and the Canadian wheat board are taken away from his department and put somewhere else; when he cannot stand up and give policy as it should be given, one can understand that because of his frustration, disillusionment and impatience with the whole matter he is going to be like a boy kicking a tin can when he does not get his own way. This is why he made the kind of speech he did yesterday.

After watching the Minister of Agriculture in the house since April I certainly believe he has true ability, but he has got to be given a chance. Let him lead the Department of Agriculture. Let him develop it. Let him bring before the house for the first time a government policy on agriculture, and let us

as the parliament of Canada debate this policy. Let us have a say whether it is good or bad. Let us make suggestions and amendments. Let us all get together to see if we can bring forth a real agricultural policy for Canada. Let us not tie up this man with red tape and partisan politics, as is being done today.

Why was it that the former minister of agriculture could make a name for himself and his government? It was because he was given the responsibility for the Department of Agriculture, and was allowed to discharge it and make decisions.

I think the government should introduce a policy. They owe it to the Canadian people to introduce a policy. They gave a commitment and undertaking to the nation that they would have a government farm policy and would introduce it right here in the House of Commons and in the standing committee on agriculture, if that committee is ever activated. We have been here for months and months and they talk about the problems of agriculture, but they have never activated the committee on agriculture.

Let them bring forward a policy and give us a chance to look at it. Give us a chance to study it. Give us a chance to suggest ways and means by which it might be improved. Then we would be giving the farmers of this country some hope. We would have a program then that would be the envy of the world. We would also be upgrading parliament to the stature to which it is entitled. We hear outside the house that parliament is sick, and sick it is, sir. It is sick because the opposition never have a chance to take any part in suggesting amendments or changes with regard to anything affecting the policies of this nation. We have government by decree, not by parliament.

The same thing applies so far as agriculture is concerned. We want to know what is going on. What does the government intend for agriculture? We have farmers all across the nation with large businesses who are depending on the remuneration from the sale of their crops. We want to know what the plans of the government are to market these crops. We want to know what plans they have for the eastern farmers. We want to know how they are going to activate ARDA. We do not want to be told that there is going to be one committee after another, that this or that matter is being taken into consideration, that due consideration is being given and that when a policy has been formulated it will be announced in the house. This is not good enough.

Surely the time has come that this government should stand on its feet, act like a party, act like Canadians and put before the house a definite Canadian policy on agriculture, so that for the first time we can act like a parliament and represent our constituencies to the degree that we can be proud of the work that we are doing here in Ottawa.

[*Translation*]

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, I should like, first of all, to congratulate heartily the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton) who, through his amendment to the motion that the house go into committee of supply, gave us the opportunity to discuss agriculture.

I should also like to commend him for the fine statement he made regarding the problems of eastern farmers. He proved that he was aware of all their problems. He suggested some extremely interesting solutions and I wish to congratulate him for the improvement he has shown over the last year. As a matter of fact, if he had been as knowledgeable, as competent and as devoted to eastern farmers when he was minister, I can assure you that we would not be facing the same problems today.

What did he do when he was minister of agriculture in the previous Conservative government? On February 6, 1963, he placed on the order paper of the house a resolution prior to the introduction of a bill affecting the farmers, but he presented it at that time when he was sure the bill would never be passed by the house; it was the day after his government had been brought down.

All he wanted to gain with that bill was political capital. He wanted to have something to talk about during his election campaign. But the Canadian voters saw right through him and they turned out of office and for good the worst government that the country had ever known since the years 1930-35.

Mr. Speaker, Social Crediters were blamed for joining us in bringing the government down on the evening of February 5, 1963. But Social Crediters had had enough of the inefficiency of the government of that time, which had become obvious to all Canadians.

They could no longer explain to their electors the attitude they had taken and followed in this chamber until February 5, 1963. And it is not because they wanted an election. We did not want one either because we had had enough of elections. We had barely come out of an extremely tiring election campaign; but we had an objective, that is the welfare of the Canadian people. We wanted to give to the Canadian people the government they had a right to have, a Liberal government, and

that is what we did. That is why we led the previous government towards a general election.

What did the Conservatives do for the welfare of the agricultural community during the six years they were in office? They put into effect a policy of grants to win the sympathy of the farmers: grants for feed, butter and cheese. Besides, they bought surpluses. They piled up millions of bushels of grain, millions of pounds of butter, so much that, at a certain time, the former minister of agriculture was afraid.

Mr. Speaker, it is said that fear is the beginning of wisdom, but in the case of the former minister of agriculture, that does not apply. What did the then minister of agriculture do when he saw we had millions of pounds of butter and millions of bushels of grain in storage? He said to the western farmers: we can sell our grain to the Chinese, but unfortunately, we have fears concerning payment. We are afraid Canadian people will not be paid for their grain, so I ask you to endorse the Chinese and to insure, as it were, the credit we are extending to them.

His speech was not greeted by applause and he did not speak about it again.

And what did he say to milk producers? He told them: We have butter and cheese surpluses.

To those he had encouraged to increase their herds, to improve their equipment, he said: Sell your cows, we have too much milk.

Again, he was not warmly received.

On February 5, 1963, the former minister left agriculture in the worst stagnation ever known in Canada; but the following day, on February 6, he knew all the answers. During his election campaign, he said that the Liberals had misled farmers.

But, Mr. Speaker, who wants to mislead the Canadian farmer? The one who passes measures, even unpopular ones, believing sincerely that they are bound to solve problems, by getting at their very root, or the one who leads the farmers to bankruptcy while telling them that everything is fine?

Who wants to deceive Canadian farmers? The present Minister of Agriculture (Mr. Hays), who sells our dairy surpluses and advocates a policy of such a nature as to direct production according to needs, on the domestic market as well as on the export market, or the former minister of agriculture who, by promoting surplus production, by granting subsidies and support prices was leading agriculture to a dead end?

Who is deceiving farmers? The former minister of agriculture or the present minister who is sincerely devoted to our farmers?

Mr. Speaker, I do not entirely approve of the various things done by our present minister; beside, I regret that he has not seen fit to do other things, which to me seemed highly desirable.

I am sorry to see that the legislation for appointing a minister of agriculture for the east has not yet been submitted to the house. The eastern farmers are waiting for the adoption of the bill, as they are impatient to make their voice heard inside the cabinet, an opportunity they have not had for a good many years.

Mr. Speaker, I cannot be pleased, either, with the priority prescribed by the Minister of Agriculture. Like the hon. member for Qu'Appelle, I feel that the top priority problem facing eastern farmers is the supply of feed grain.

Eastern farmers lie at the mercy of a group of speculators who control feed grain and who make millions by a few strokes of the pen. Those people freeze sales to boost prices. They also get a large share of the subsidies which the government has established to help farmers.

Whether a farmer produces milk or crops or whether he is a cattle breeder, he must be able to buy feed grain at a reasonable price.

That is why, in my humble opinion, the distribution of feed grain should be nationalized in eastern Canada and a crown corporation set up to control feed grain shipping, storing and wholesale selling in eastern Canada after firm contracts have been negotiated with the Canadian wheat board.

I quite agree with the hon. member for Qu'Appelle when he says that eastern farmers should have the same advantages as the Chinese, Russians, and Japanese who buy our wheat at a fixed price. However, what did the hon. member do when he was minister of agriculture to provide eastern farmers with the same advantages as the Chinese? What did he do?

The proposed crown corporation should control the shipping of grain and the government should pay the whole cost of the operation. At present, the government pays approximately $18 million in freight assistance for feed grain. If those subsidies were to cover the whole cost of shipping, they would amount to about $40 million a year. I feel that we can afford such an expense, the more so since those subsidies would contribute to the establishment of a uniform wholesale price throughout Canada, so that grain would cost the same in Halifax, Quebec city, lake St. John, Montreal, Three Rivers and Fort William.

An hon. Member: And at Jonquiere.

Mr. Drouin: That body would control warehousing so that it would be carried out

in a reasonable way. It is said that warehousing facilities are not adequate in the east, but there is no proof of that, I think that after a serious and scientific inventory of warehousing facilities, we would find enough facilities in the east to store all the grain needed to meet the requirements of eastern farmers.

That body would also control wholesale grain operations and be satisfied with a reasonable profit, only to help meet operation costs and not extravagant profits like the ones made by the people who now control grain marketing in the east. It could work in co-operation with the mills, which are doing an excellent job of processing the feed grain required.

The setting up of such a body would be most beneficial. First of all, our eastern farmers could depend on a steady supply 12 months a year. We could eliminate the blocking caused by speculators at the present time for price increases. Prices would go down and this would help to lower the production costs. Our milk products could face world competition. We could sell our butter, our cheese and our milk powder at reasonable prices on world markets without the government having to subsidize the manufacturing costs to the extent of 50, 60 and even 75 per cent.

I think that the savings made by the government in that way, could completely cover transportation costs of grain to the east. It could also pay for the setting up of a crown corporation to look after that government control.

Our farmers would then be able to take the place they are entitled to on the national consumer's market. We would not need those many million fowl and poultry which were imported from the United States when the former minister of agriculture was responsible for the future of our farming industry. Indeed, we may recall that in a single fiscal year, we brought in more than 20 million birds from the United States, while we had in eastern Canada producers who could have supplied the market. But, because they are paying too much for their feed grain, they are unable to meet the competition of American chickens and turkeys which are dumped on our market.

Our farmers could increase their production of livestock. We have, in the east, the best pastures in Canada. We do not suffer from drought like the western farmers.

We have land unsuitable for cultivation which is declared as less than marginal every time a survey is made. Such land would make excellent pasture for livestock.

We are unable to increase our livestock production precisely because the cost of feed grain is too high in some seasons of the year.

We, in the east, have the two largest Canadian consumers' markets: Toronto and Montreal. Yet, we only supply a very small percentage of livestock to those markets.

It appears that the former government wanted, by this legislation under date of February 6, to settle all its problems. However, we never saw the bill. Has the hon. member for Nicolet-Yamaska (Mr. Vincent) ever seen this remarkable bill?

I remember a former government minister, the former Conservative minister, member for Three Rivers (Mr. Balcer), who came to my constituency. He claimed that this bill under date of February 6 was marvellous, that it would settle all the farmers' problems, but when the constituents in Argenteuil-Deux-Montagnes asked the hon. member for Three Rivers about the contents of this bill, he did not even know.

The policy announced by the present Minister of Agriculture, as concerns feed grain, is an improvement over the situation we experienced during the former Conservative government. I do not really consider it a solution but it certainly is an improvement.

It is not yet the ideal to which eastern farmers may aspire. Through this legislation, speculators will realize important profits on the shipping of grain. As soon as the navigation season is over, they apply the railway transportation costs, saying: "If grain is needed, it will be necessary to use railway transportation and it will cost $7 or $8 more per ton. We may just as well have it loaded now."

They are business men who are there to make profits. I cannot blame them in any way, but if they could be advantageously replaced by a government agency which would adequately perform the work that may be required of a third party between the Canadian wheat board and eastern farmers, why not?

The policies advocated by the present Minister of Agriculture are valuable but they may help speculators. Once more, speculators may be able to benefit largely from grants meant for farmers.

Should we, for all that, support the amendment moved by the hon. member for Qu'Appelle (Mr. Hamilton) or the subamendment moved by the orthodox Social Credit leader? Besides, the hon. member for Red Deer (Mr. Thompson) himself said in his comments on the remarks made by the hon. member for Qu'Appelle and I refer to *Hansard* for October 14, 1963, page 3549:

To stand up as he has done today, to try to convince the house—

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The hon. member for Red Deer is talking about the hon. member for Qu'Appelle.

—that it should throw out this government because of his own failure of action, is something that is just a little beyond understanding. Eastern farmers, particularly those in Quebec and in the maritimes, would never have turned their backs on the previous government had they been satisfied that its policies would be good to meet their needs.

As for myself, I do not feel that the Conservative policies would satisfy the needs of Canadian farmers. That is why, even though I am not entirely happy with the present farm policy of the government, I will tonight vote in support of the Minister of Agriculture who has been in office for only six months and has proved his good intentions. I shall do so in the hope that before long, we shall have a second minister of agriculture who will be the spokesman for eastern farmers within the cabinet.

I am anxious to see what position the hon. member for Qu'Appelle and his supporters will take when this resolution is introduced in the house. I can hardly wait to see what stand he will take. He will then have the opportunity to prove his sincerity and to do something other than play petty politics, which he has done up to now.

Hon. Theogene Ricard (St. Hyacinthe-Bagot): May I put a question to the hon. member?

Mr. Drouin: Certainly.

Mr. Ricard: If I am not mistaken, at the outset of his remarks, the hon. member seemed to criticize the policy of subsidies put forward by the previous government. Would he give us a list of subsidies to encourage farmers which were abolished by the present Minister of Agriculture?

Mr. Drouin: Mr. Speaker, I merely wish to point out that the policy of subsidies advocated, established and carried out by the former minister of agriculture has led agriculture to stagnation.

I have not entirely laid the blame on the establishment of a particular subsidy and if the hon. member has understood me well, I did not over-praise the present Minister of Agriculture. I simply pointed out as sincerely as possible the present situation of eastern farmers.

Mr. Ricard: That is the reason why you approve the abolishment by the present minister of the 25 cents subsidy per hundred weight of milk; and that is why we no longer hear you, like you did last year, advocate a policy of free distribution of milk in schools throughout Canada.

Mr. Drouin: Our program extends over a four year period. The government has been in power for only six months. If that milk distribution policy is not established in the next four years, then we shall discuss it, but you cannot doubt the intentions of the government right away.

Mr. C. A. Gauthier (Roberval): Yesterday afternoon, I heard the former minister of agriculture claim the rights of the eastern provinces in the field of agriculture.

He blamed the present government for not having taken concrete action, especially as far as feed grains are concerned.

We admit all his statements, but we do not admit so easily those changes of opinion of the two old line parties. They alternately become all-powerful as soon as they sit in opposition.

The member for Qu'Appelle was in office only a few months ago; why did he not settle once and for all the case of the eastern provinces, which he now considers so serious?

Not to play into the hands of the government, which says that the opposition party did nothing I shall say that the previous government took a few steps, showed the way to an over-all agricultural reform. In fact, amendments to federal loans and to ARDA were surely forward steps in helping eastern farmers. It is something, but it is not enough. All this proves that the main failure is the inability of the departments to help eastern farmers by positive reforms.

And all this leads us to the necessity of establishing a department for the east. We hope that the present government will at least get started in that direction.

We Quebecers have been saying all along that our problem will not be settled by outsiders, but by ourselves.

It would be asking too much from western people to make a survey of our lands, our climate, our social and family conditions, in order to outline a policy for us.

To begin with, they would be unable to do it, because the only thing they seem to be familiar with is wheat.

Indeed, Mr. Speaker, a member entering this house gets the impression that Canada grows only wheat.

Six months before sowing time we hear about wheat, so as to know whether or not it will be possible to sow, and six months after harvesting, we hear inquiries about when the wheat will be paid for.

It may be that the people from the prairie provinces talk louder or complain more than those in the other provinces, but, seven times out of eight, when agriculture is mentioned, it is always the voice of the wheat that is heard.

It is said that a man makes no noise over a good deal, but I am beginning to think that

in agriculture, and especially at the federal level, noise is needed to have deeds.

We in Quebec may be the victims of our own silence.

What happened in the last fifty years?

What has been wrong with Quebec for the last 50 years?

To think that 50 years ago, the eastern provinces were considered the granary of Canada.

When you take a close look at the history of Canadian agriculture, you note that, as long as the minister of agriculture came from an eastern province, farming was prosperous. But as soon as we lost the minister, we lost the rising trend of our farm production.

Take a look at agricultural reports and you will notice with a certain horror that, since 1914, all the ministers of agriculture have come from the prairies. Not a single one, since 1914, was chosen in the eastern provinces.

I submit that this is an unforgivable omission on the part of the governments for the last 50 years.

Even if you are as human as possible, you cannot silence the voice of blood. No wonder the western markets are so promising, and western farming so flourishing.

Laws are made by men. And the latest agricultural legislation was introduced by a majority of western members, which explains why the eastern part of Canada was entirely forgotten.

We are not blaming western farmers for speaking and voting in favour of what is the very mainstay of their existence, but we do blame them for not allowing other provinces to have their say in this house.

You may be sure that neither the various aspects of agriculture in eastern Canada nor the mentality of eastern farmers can be understood by western farmers.

That is why, until we have a department of agriculture for eastern Canada with all the powers to be found in such a department and also in a position to adapt our farm legislation to modern needs, we shall be unable to work efficiently toward the recovery of eastern agriculture.

Take, for instance, the amended federal legislation on loans to farmers.

Do you really believe that it suits the purpose perfectly and meets all our farmer's needs?

How is it then that, out of 1,500 requests from farmers, the Farm Credit Corporation can accept but 150?

And yet the farms are lying there, abandoned up to a proportion of 35 per cent, waiting for farmers to put them back in production.

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On the other hand, the farmers are still anxious to go back and work those farmlands that were taken away from them through finance plans, because incompetent governments did not have the courage to set interest rates which would prevent those thieves who wear no masks, for they are winked at by present legislation, from taking hold of our farmers' possessions.

It is said that eastern farmers are no longer interested in cultivating land. That is simply because they are disgusted with the way they are being treated.

I have travelled across the rural areas of Quebec, Mr. Speaker. It is one of my weaknesses: I have to see for myself. So I paid visits to farmers and discussed their case with agronomists appointed by the federal government to find out for myself about the opportunities our legislation gives our farmers.

I was amazed, Mr. Speaker, to see that the federal government was paying four agronomists in my constituency to refuse loans to those who were in need of them.

What is more difficult, to amend an act or to move a piece of land into another province?

They are so good here at creating ridiculous circumstances that it becomes impossible for them to revert to a normal situation.

Do you not think that it would be easier to have legislation suited to a province than to mold a province according to the legislation of the country?

And for everything to operate rationally, we must have the assistance of experts in each province where the operation is needed.

In a word, do you believe that western farmers will solve our problems in Quebec?

Will a western minister promote the salvation of Quebec? I, for one, do not believe that in the least.

It would be every bit as illogical to ask a fellow from Lake St. John to go and dictate policies to Alberta.

I heard the Minister of Agriculture when he said that he had contacted the Quebec minister of agriculture and that everything seemed to be all right. The Quebec minister must have answered that he was going to examine the matter. In Quebec, the Liberal party has decided to turn everything over to study groups.

For instance, three years after the passing of ARDA they are still considering the possibility of implementing the program in Quebec.

And—and this beats all—in the province of Quebec, instead of planning the draining of lands which need only a bit of water to be productive, they make the farmers pay, for the little draining that is done, and they retimber the other farms.

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One has to be good to those poor American lumber companies.

You may be sure that the minister of agriculture of Quebec did not express the opinion of the people in that province.

What Quebec wants is an independent department, and we hope that the present government will not wait till the last minutes of its existence to introduce that bill in the house.

I am very happy about this consideration now being given to increasing the loans to eastern farmers.

I hope that those who were unable to meet the present loan terms, will thus be able to find where to go if they want to recover their heritage in the months to come.

Otherwise, it is useless for the government to pay so many agronomists just to reject our farmers' loan applications.

Our farm industry is not going to be rebuilt by negations or rejections, but by positive action, like sharing good advisers in numbers proportionate to the importance of the various provinces.

And there are many things such an adviser can do, Mr. Speaker. You will realize it if you look up the responsibilities of advisers on page 6 of the report of the Farm Credit Corporation, which says:

> Farm credit advisers are each responsible for a territory, and are to inform the farmers about credit facilities and other services offered by the corporation. They advise farmers about the best way to use their credit, they receive and handle applications for loans, help the applicants and borrowers to draw up plans for their organization, development and administration, of their family farm, in order to put it on a paying basis; they estimate the value of the farms, recommend certain decisions to branch managers regarding loan applications, supervise and administer the loans. The credit adviser by his incessant work in his territory, acts as a liaison officer between the corporation and the public.

An hon. Member: Which year?

Mr. Gauthier: Nineteen sixty two-sixty three.

We have today in Quebec whole areas which could be compared with any land in western Canada if they were drained.

Why did the various successive governments never give anything to Quebec, while they provided all necessary assistance to the prairie provinces?

I still have in my possession a most important document that is part of a series of questions I directed to the Minister of Agriculture so that the people and parliament would be acquainted with the discrimination against the province of Quebec.

For instance, let us consider the question of drainage. In that connection, I asked the Minister of Agriculture the following question:

> How much did the Department of Agriculture pay out for irrigation and conservation of waters in Canada to March 31, 1963? Of that amount, how much was paid out in Quebec?

Here is the reply the minister gave me:

> The expenditures of the Department of Agriculture under the provisions of the Prairie Farm Rehabilitation Act, for irrigation and water conservation projects, amounted to $176,487,000—

And at the end of the reply, we could read:

> No part of that amount was spent in the province of Quebec.

Some hon. Members: Shame. Shame.

An hon. Member: How much for education?

Mr. Gauthier: For education, it is about the same story.

An hon. Member: 4.8 per cent.

Mr. Gauthier: What was being done for the east at that time? Nothing.

Mr. Speaker, the greatest difference between agriculture in the west and agriculture in Quebec can be seen in many areas. I could enumerate many of them, but I will touch on only one point before I close my remarks.

At this stage, I might open the eyes of the minister on a problem he has not even thought about. And if the minister will take the trouble to consider the remedies he could bring to agriculture to revive its lost strength, he is just at the beginning to get surprises. In fact, Mr. Speaker, I am sure that in the west, when they talk about farming a land, they mean that they have to prepare the soil for the seeding, they mean to roll back the forest to make room for wheat. At home, in Quebec, on our modern farms that is not it at all. That marvellous era of conquerors of the primitive soil has disappeared. Today, in Quebec, to return land to farming means fighting an army of financiers who were able by some feat to chase off our best farmers and leave all those large farms empty and barren, like a forest devastated by fire.

In 40 per cent of our farming areas, a deadly silence prevails because animal life is no longer there and man himself, crushed under debt and expelled by usurious moneylenders tolerated by our Canadian legislation, took refuge in the cities, in the shadow of the financiers' skyscrapers which go up at the same rate as the level of our agriculture goes down.

That, gentlemen, is the real problem in Quebec.

When one thinks there are such moneylenders completely foreign to our province who now own 30, and even 40 lots, of our best farms because an irresponsible government allowed the exploitation of the

farmer who, not so long ago, was prosperous and the pride of our province but who today joins the line, which is already too long, of those under public assistance in our towns and villages.

Mr. Speaker, you see at once that rehabilitation in Quebec cannot be settled by the Department of Agriculture alone, but by the concerted action of the federal government and the department itself.

Is it possible that, after 300 years or more of existence, and nearly one hundred years after confederation, the federal government has not yet succeeded in determining the interest rate in Canada?

It is unthinkable for the common man, and unexplainable for us legislators in this house, to find that no government, until now, has been able to curb, by determining a limit to the interest paid in our country, the army of thieves which has spread all over Canada.

In all the other fields our legislation is very strict and that is a very good thing in order to maintain law and order.

Even in the case of petty crimes, if the thief is caught, he will be fined or put in jail. That is all right.

But tell us please when will measures be taken against the master thieves? What price did they pay all the former governments to keep quiet and what means do they still use, at the present time, to benefit from complete protection, I was even going to say the blessing, of all governments?

We demand laws. The members of the New Democratic party have presented two bills in this respect. I introduced one myself and it is still at the bottom of some drawer.

When time has come to go to the rescue of our farmers, the bills which would save them stay on the order paper of the house waiting to go and die before the banking and commerce committee, because it seems that those which cross the threshold of a committee room do not leave it any more.

Therefore, to ensure the survival of our farmers, we propose that the house should determine as soon as possible the maximum interest rates a lender may charge, retroactive to ten years ago.

Thus, the federal government would recover many farms without having to spend much, and their former owners even less.

Thieves should be locked up, whether they are small or big, and I would add, all the more so if they are big.

This is further evidence, Mr. Minister, that Quebec has specific problems in agriculture.

Mr. Speaker, before resuming my seat, allow me to say that I feel the sub-amendment proposed by the hon. member for Red Deer (Mr. Thompson) is not justified because the people have already rendered their decision on the work done by the previous government when they voted to have it sit on this side of the house.

This subamendment means nothing at all. For us, our last hope lies in the creation of a department of agriculture for the east, through which our farmers will find the necessary protection for their ambitions.

Mr. Jean-Pierre Côté (Longueuil): Mr. Speaker—

The Acting Speaker (Mr. Batten): Does the hon. member wish to put a question to the member who has just taken his seat?

Mr. Côté (Longueuil): Mr. Speaker, as I did not want to interrupt the hon. member while he was speaking, would he allow me to ask him a question now?

Mr. Gauthier: By all means.

Mr. Côté (Longueuil): The hon. member seems to believe that the province of Quebec has been wronged as concerns agriculture. Would he advocate a greater encroachment by the federal government upon a field which comes rather under the jurisdiction of the provincial government?

Mr. Gauthier: Mr. Speaker, I am very glad that question was asked because what I find funny in this house is that whenever it is suggested that assistance or support be given, government members never fail to speak of invasion again and again.

If the present government wants to break new ground, instead of invading fields where it has no business to be, let it go where help is requested, provided it is willing to do something and as long as it stays away from education and other fields which belong to the provinces.

When help is requested, which the government gives freely and generously to the other provinces, it should at least come to the assistance of the province of Quebec and hand her as many dollars as the other provinces get, if not more.

Mr. Clement Vincent (Nicolet-Yamaska): A supplementary question, Mr. Speaker. Since when is land drainage not under federal jurisdiction?

Mr. Gauthier: That is just it, Mr. Speaker, when I mentioned drainage, I was thinking of ARDA. It would be very easy, through ARDA—which does not affect provincial autonomy in the least—to have some drainage done and thereby recover the fat sums of money the government takes away from us each year.

Eastern Agricultural Policy Lacking

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, I felt very proud yesterday when the hon. member for Qu'Appelle (Mr. Hamilton), while introducing his motion, asked me to second him, because since the beginning of the present session I have requested time and time again that the question of agriculture in eastern Canada be discussed in this house. But since the government would not give us such an opportunity, we had to bring that motion forward in order to debate that matter of utmost importance.

Fortunately, today, we realize that the Minister of Agriculture and the Minister without Portfolio, as heir apparent to a throne which may still be some distance away in the future of our country—because they do not seem to have cleared up the misunderstanding that exists within the cabinet about the proposed post of associate minister, junior minister or even minister for eastern Canada—are interested in the situation.

We introduced this amendment in order to enable us to discuss agriculture here in the house and also to let eastern farmers know that we are concerned with their problems.

On several occasions I have raised the matter of cost prices for eastern Quebec milk producers, namely those of my area, and all those throughout eastern Canada, eastern Ontario, Quebec and the maritimes, and every time the Minister of Agriculture stated that milk prices were higher this year compared to last year.

Mr. Speaker, the dairy industry is very important in the province of Quebec, and we witnessed, a few days after the swearing in of the Liberal government, a complete disruption through the announcement of a new dairy policy for the only purpose of saving from $6 to $8 million to the Canadian taxpayers.

I am not the one who says so, but it is the Minister of Agriculture himself who did in the house, as reported on page 140 of *Hansard*. We can also find the statement he made to western journalists and which was published in the Winnipeg *Tribune*—

[*Text*]

Here are his words:

> The net result will be a saving to the taxpayer of Canada of $6 million to $8 million.

This was the only reason that the Minister of Agriculture (Mr. Hays) announced this new policy, and now the farmers of my province, the farmers of eastern Canada, are selling their milk at a lower price than they were paid last year.

[*Translation*]

The subsidy of 25 cents per 100 pounds on milk shipped to processing plants was abolished, Mr. Speaker. The assistance on the movement of cheese for export to the United Kingdom, or the subsidy on export, has been reduced by 1 cent per pound, or from 4 to 3 cents per pound. And there again, according to the Minister of Agriculture, the main reason for this reduction was to save $260,576 to the Canadian taxpayers. His statement appears on page 571 of *Hansard*.

The Liberals will claim that they wanted to promote cheese production.

If the Liberal government had been responsible, it would have extended the subsidy of 30 cents per hundred pounds to all the milk used in all cheeses made from whole milk. That is not what happened.

In addition, instead of reducing from 4 to 3 cents the assistance on the movement of cheese for export to the United Kingdom, it should have granted the 4 cent subsidy to all types of cheeses made from whole milk likely to be exported anywhere in the world.

With the domestic and foreign firm markets that we have and the existing potential of the domestic market, we could have expected a genuine policy on cheese.

It would not have been necessary to cause a loss of 10 or even 20 cents per 100 pounds of milk for thousands of milk producers in the province of Quebec and eastern Canada.

I have here, as I had the opportunity of showing the house the other day, some butter and cheese factory pay slips issued to farmers in my constituency who are getting as much as 23 cents per 100 pounds less and this, since the policy of the federal government which came into office last April has been announced.

I see that the parliamentary secretary to the Minister of Agriculture is taking notes.

[*Text*]

Until today I thought he was the only one in this department who knew anything about agriculture, but when I read his speech this morning in which he said it was impossible to put $15 worth of fertilizer on one acre of land I know now that he does not know anything about agriculture. The average price of a ton of fertilizer is around $60 and the recommendation of the government of Quebec is between 400 to 600 pounds per acre which means more than $15 per acre.

Mr. Beer: Are you talking about pastures? I was speaking of the application of fertilizer to pastures.

The Acting Speaker (Mr. Batten): Is the hon. member rising on a question of privilege?

Mr. Pigeon: If you want to speak later you can do so.

Mr. Vincent: When I spoke the other day the hon. member for Drummond-Arthabaska (Mr. Pepin) came back in the house and said

that the hon. member for Nicolet-Yamaska was not right. I said that to make 122½ pounds of butter we need only 100 pounds of butterfat. I said this was true and he said it was not true, that with 100 pounds of butterfat we can make only 121 pounds of butter. He said that in his riding they make only 117 pounds. But now he knows.

Mr. Pepin: Mr. Speaker—

The Acting Speaker (Mr. Batten): Is the hon. member rising on a question of privilege?

Mr. Pepin: I have no claim to be an expert in agriculture but the figures I quoted at the time—

The Acting Speaker (Mr. Batten): This is not a question of privilege. If the hon. gentleman has said something that the hon. member would like to refute an opportunity will be provided.

Mr. Vincent: He said that these were the figures he got from the experts of the department which told him that with 100 pounds of butterfat only 121 pounds of butter can be made. The day after I showed him the figures from the Department of Agriculture which indicated exactly the same thing I had said in the house, between 122 and 123 pounds, so that means 122½ pounds.

Mr. Pigeon: I think the Minister of Justice wants to say something about agriculture.

Mr. Pickersgill: The Minister of Justice has been concerned with French culture.

Mr. Pigeon: Read his reply about the R.C.M.P.

The Acting Speaker (Mr. Batten): Order. I think the hon. member who has the floor has the right to continue his speech without being interrupted.

Mr. Vincent: Mr. Speaker, as long as I will have a few minutes more in view of all these interruptions it will be all right. I raised the question in the House of Commons about the price of milk paid to farmers in my province and every time these people told me what I said was not true. I have here the answer given by the Minister of Agriculture.

[*Translation*]

We find the answer to that question at page 1246 of *Hansard* for June 17, 1963:

> Mr. Hays: I should like the house to know that since the new dairy policy has been in effect, the price of milk is up by 10 cents a hundred and 29 cents a hundred, higher than it has been for a number of years.

Please take note of that.

Eastern Agricultural Policy Lacking

And here is a second answer, by the invisible Minister of Agriculture, found at page 1382 of *Hansard* for June 20, 1963:

> The price of milk is increasing—

—across Canada.

Even yesterday, the Minister of Agriculture told us:

> You will be interested to know that right across Canada the price of milk is higher than it was a year ago and that the price of cheese is higher than it was a year ago.

Now, Mr. Speaker, I have the figures submitted by the Department of Agriculture which show that for the month of August 1963, the price of milk to cheese factories in Quebec was between $2.85 and $2.97 per 100 pounds. Those figures show also that the price of milk to cheese factories in Quebec in August 1962 was from $2.85 to $3.05 per 100 pounds, or 8 cents more per 100 pounds in 1962 than in 1963.

If we look further we see, for instance, that the price of cheese for August 1962 was 32.2 cents per pound, while the price of cheese for August 1963 was 35.3 cents per pound, or an increase—

[*Text*]

There was an increase in the price of cheese of 3.1 cents per pound and a decrease in the price of milk of 8 cents per 100 pounds. Everybody knows—

[*Translation*]

If even though I am not a politologist—

[*Text*]

Everybody knows that we can make from nine pounds to nine and a half pounds of cheese from 100 pounds of milk. There was an increase of 3 cents a pound in the price of cheese and this should have been an increase of between 25 and 30 cents per 100 pounds in the price of milk. This year the subsidy is 5 cents more than it was last year for milk sent to the cheese factory. Instead of receiving this increase of 25 cents to 30 cents on milk sent to the cheese factory, the farmers in the province of Quebec received a decrease. These are the final figures which were given to me by the Department of Agriculture and which have been given to all members of this house.

[*Translation*]

Now, Mr. Speaker, the same situation exists in the case of milk shipped to powdered milk factories. In August 1962—I take August as an example, but the same applies to May, June or July—the producer who sent his milk to be processed as powdered milk received $2.75 to $3.00 per hundred pounds, while in 1963, he received from $2.80 to $2.95; as can be seen, there is a decrease.

Eastern Agricultural Policy Lacking

[*Text*]

Now, what was the price of skim milk powder in 1962? It was $8.25 per 100 pounds. In 1963 the price of skim milk powder was $11.50 per 100 pounds. In 1962 there was no subsidy at all on casein, and the price of casein in Montreal was 20 cents a pound. In 1963, so I am informed by the government, there is a subsidy of 10 cents a pound on casein. This subsidy will go to 13 factories in Canada and will amount to $2,200,000. What is the price of casein in Montreal? It has been 21 cents a pound all summer and was 20 cents a pound last year. There has been only an increase of 1 cent a pound in the price and yet these 13 factories, of which 11 are in the province of Quebec, will be receiving a subsidy of $2,200,000. This subsidy does not go back to the farmers of my province. This is one of the reasons we have no confidence in this government, because they are not looking after the farmers of the province but they are looking after the factories in the province.

[*Translation*]

Now, Mr. Speaker, it has been stated that the Conservative party did nothing to help the eastern farmers. Those statements also originated from the other side.

An hon. Member: Mr. Hamilton said so.

Mr. Vincent: I said the other day when I spoke in the house that the price of milk was 44 cents higher per 100 pounds under the Conservative government in Ottawa. But my statement was challenged. If we consider the fact that the farmers of my constituency ship 150,000 pounds of milk yearly, this means that they received $700 more, thanks to the policies of the hon. member for Qu'Appelle and the previous Conservative government.

Here are the conditions exactly as they existed since 1953, as regards the prices of milk used in the manufacture of cheese, in the province of Quebec:

In 1953, we were in the red, that is I have written the figures in red so as to help me in my comments, from $2.23 to $2.40; in 1954, and for the month of August of each year, from $2.31 to $2.40; in 1955, still in the red, from $2.21 to $2.48; in 1956, in the red, from $2.45 to $2.76; in 1957, it is written in blue, from $2.73 to $3.00—one can see the difference at once—from $2.73 to $3.00; in 1958, from $2.87 to $3.15; in 1959, from $2.80 to $3.16; in 1960, from $2.85 to $3.12; in 1961, from $2.80 to $2.95; in 1962, from $2.85 to $3.05; in 1963—

[*Text*]

In 1963, as soon as they come back, it goes from $2.85 to $2.97, a decrease of 8 cents.

[Mr. Vincent.]

[*Translation*]

The following is a report on the dairy products market established by the markets information section, Department of Agriculture, Ottawa, for the province of Quebec. The report shows the prices paid to the producers for grade 1 milk testing 3.5 per cent butter fat.

Now, Mr. Speaker, I should like the following document to be published in *Hansard*.

[*Text*]

The Acting Speaker (Mr. Batten): Order. Does the house give the hon. member permission to have this table printed in *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The table referred to is as follows:*]

[*Translation*]

Report on the dairy products market markets information section, Department of Agriculture, Ottawa, Ont.

Quebec: prices paid to producers (milk grade 1 testing 3.5 per cent butter fat) milk sent to cheese factories

L. August 1953, from $2.23 to $2.40.
L. August 1954, from $2.31 to $2.40.
L. August 1955, from $2.21 to $2.48.
L. August 1956, from $2.45 to $2.76.
P.C. August 1957, from $2.73 to $3.00.
P.C. August 1958, from $2.87 to $3.15.
P.C. August 1959, from $2.80 to $3.16.
P.C. August 1960, from $2.85 to $3.12.
P.C. August 1961, from $2.80 to $2.95.
P.C. August 1962, from $2.85 to $3.05*.
L. August 1963, from $2.85 to $2.97†.

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* The price of cheese in August 1962 was as follows: 1st grade cheese, white, Quebec 32.2 cents per lb. subsidy: 25 cents per 100 pounds.

† The price of cheese in August 1963 was as follows: 1st grade cheese, white, Quebec 35.3 cents per lb. subsidy: 30 cents per 100 pounds.

Explanation

From 9 to 9½ pounds of cheese can be made out of a hundred pounds of milk.

An increase of 3 cents per pound in the price of cheese is equal to an increase of 25 to 30 cents a hundred pounds for milk.

The subsidy was 5 cents higher per 100 pounds for milk in 1963.

Mr. Vincent: Now, Mr. Speaker, so I will not have to read that report on the situation of milk powder manufacturing, I would also ask to have it inserted in *Hansard*.

[*Text*]

The Acting Speaker (Mr. Batten): Order. Does the house agree?

Some hon. Members: Agreed.

[*Editor's note: the table referred to is as follows:*]

[*Translation*]

Report on milk products marketing
marketing information section, Department of Agriculture, Ottawa, Ont.

Quebec: price paid to producers (milk grade 1 testing 3.5 per cent butter fat).

Milk for milk powder manufacture
L. August 1953, from $2.34 to 2.56.
L. August 1954, from $2.34 to 2.56.
L. August 1955, from $2.45 to 2.70.
L. August 1956, from $2.42 to 2.62.
P.C. August 1957, from $2.80 to 3.00.
P.C. August 1958, from $2.85 to 3.05.
P.C. August 1959, from $2.80 to 3.05.
P.C. August 1960, from $2.75 to 3.05.
P.C. August 1961, from $2.75 to 3.00.
P.C. August 1962, from $2.75 to 3.00*.
L. August 1963, from $2.80 to 2.95†.

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*Price of skim milk, pulv. grade 1, in August 1962, was $8.25 per cwt.

The price of casein, in August 1962, was 20 cents per pound.

†The price of skim milk, pulv. grade 1, was in August 1963, $11.50 per cwt.

The price of casein, in August 1963, was 21 cents per pound.

Explanation

Thirteen commercial manufacturers of dried casein received a 10 cent per pound subsidy on casein since May 1 last. Eleven of those manufacturers are from Quebec. It is considered by the Department of Agriculture that this subsidy will cost $2.2 million to the federal treasury.

Mr. Vincent: Mr. Speaker, that is the situation, even if the Minister of Agriculture repeated three times that such was not the case. Those are the figures from his own department and they are in contradiction with the statements by the minister.

The farmers in my province and in eastern Canada may well wonder why the Minister of Agriculture does not want to concern himself with Quebec and eastern Canada problems. Is it the intention to hide behind a smokescreen and say, for instance, that a minister of agriculture for eastern Canada will be appointed.

That is not what the farmers need. First, the farmers need what goes into their pockets, into their pocketbooks and you know exactly what they need. And it is our responsibility as members of parliament to point out the problems to the government, to ask them to find solutions. That is the only thing we are asking them through this motion. If the house will support us, we are prepared to go to the farmers. Besides, I had the opportunity to visit several of them some time ago.

First of all, Mr. Speaker, it is not surprising, as the parliamentary secretary to the Minister of Agriculture said a while ago.

[*Text*]

This is the Prime Minister of Canada. He made a speech in Port Hope, Ontario on March 5, 1963. Here is what he said:

> The emphasis on price supports will be shifted from butter to skim milk powder—

I went back to my place and told that to the farmers. They said, "He is fooling. He does not know what he is saying". I said, "Why?", because I knew what he had said. They said, "It is impossible to make skim milk powder without making butter." One day I had a discussion with the Minister without Portfolio (Mr. Tremblay). We talk the same language. I told him it was impossible. He said, "Well, we have to increase the production of skim milk powder but we have to decrease the production of butter". I said, "Sir, I am not an economist. It is all right if you sit around a table and discuss it with all the figures. But in practice it is impossible to make skim milk powder without making butter". These are the people who are looking after agriculture in Canada today. This is the reason we have so much trouble right now with the price of milk, and perhaps it is the reason for the Minister of Agriculture (Mr. Hays) not wanting to deal with this problem.

[*Translation*]

A minister stated that for this year, there was a decrease in butter production. I have here the *Farm Situation in Canada* for July 1963, published by his department. It said:

> That decrease in the production of butter involved some 115 million pounds of milk. Since a realtively small additional quantity of milk was used for cheese manufacturing and for sale as liquid milk, it seems that milk production in May and June was some 100 million pounds below 1962.

That is what he is taking credit for. It is the department of the Minister of Agriculture which said that there were some 100 million pounds of milk less in May and June. And that is also the reason why there was a decrease in butter production.

Now, Mr. Speaker, you know the milk situation, with regard to the price the producer is paid. There are also some other most significant aspects. It has been reported that the Conservative party had done nothing for the eastern farmers. Now, last week, I read a

statement by the Quebec minister of agriculture. You know that in Quebec, we have to increase the productivity of our soil. Our soil is acid, which means, for those who are in the know, that the pH is not high enough. Therefore, lime has to be bought. Now that is what the Quebec minister of agriculture said. It is a great pity that our two federal ministers of agriculture are not in the house.

An hon. Member: They will be told.

Mr. Vincent: The federal cabinet would consult the Liberal members? They are no good as far as farming is concerned, with the exception, perhaps, of the hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin), who is one of my good friends and also probably one of the most competent in the agricultural field among those sitting over there, but they do not often ask his advice.

Some hon. Members: Hear, hear.

Mr. Vincent: Thank you for your applause when I said that the government does not often seek his advice. And, moreover, Mr. Speaker, would I be mistaken—

[*Text*]

There is not one minister in the house; not one.

Mr. Pigeon: I think they resigned this afternoon.

Mr. Vincent: The hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon) made such a good speech yesterday that all the ministers resigned today. There is not one in the house.

Well, the minister of agriculture of Quebec said this:

> Our farmers realize more and more the importance of using limestone or lime to neutralize the acidity of their soil to increase its fertility.
>
> It nevertheless remains concluded the minister, that insufficient lime is used in Quebec; indeed, because of the geological formation of our soil, the practice of liming is normally essential to obtain good crops.

That is a problem which exists in the province of Quebec. And what did the Conservative government do about it? In 1958—in March 1958—the ceiling of the subsidy of $1.50 a ton for lime sold to Canadian farmers, more particularly in the province of Quebec, was lifted by paying the provinces 60 per cent of the cost.

The grants paid by the federal government during the fiscal year 1962-63 amounted to a total of $2,471,280, for Canada of which $2,098,623 was paid to the province of Quebec; this represents for Quebec, of course, a total of 1,121,562 tons of lime. These were the figures on March 31 last, that is a few days before the Liberal party came to power.

What did the Liberals do? The new Liberal administration reduced that amount to $1,205,000 for the current year, that is 1963-64, which resulted into an increased expense of 50 cents per ton for our farmers who buy their lime in the province of Quebec on account of the policy of the new Liberal administration.

And no later than yesterday the Minister without Portfolio stated:

> "We understand the needs of the farmers in the province of Quebec."

As far as farm loans are concerned, we have improved the Farm Credit Act. In fact, I had the privilege of being a member of the advisory committee and, contrary to the statement made earlier by the hon. member for Roberval (Mr. Gauthier), during 1962-63, the Farm Credit Corporation granted an amount of $11,434,700 in the province of Quebec for a total of 804 loans; and this year, thanks to this new legislation introduced by the hon. member for Qu'Appelle, $20 million at least of the corporation's funds will help setting up some economic units in the province of Quebec.

Mr. Vincent Drouin (Argenteuil-Deux-Montagnes): Mr. Speaker, would the hon. member allow a question? Does he consider as a substantial improvement the amendment brought in by the Quebec government, providing for a reduction of 50 per cent in the interest charged by the federal government? Does he not feel that it is precisely that measure which brought about a considerable increase in the number of loans in the province of Quebec?

Mr. Vincent: Certainly and I said so last year. In fact, if the hon. member will go to the trouble of reading the speech I made here last year, he will find that the government of the province of Quebec, under a Liberal administration, was no longer able to loan money, because it did not have any, and the provincial authorities were obliged to ask the federal government to pay them a commission in order that the federal government could come to the help of the farmers in the province of Quebec, since the latter could no longer get anything under a Liberal administration.

Mr. Drouin: May I ask the hon. member a question? Is he still talking without any political partisanship?

Mr. Vincent: None whatever.

Mr. C. A. Gauthier (Roberval): Mr. Speaker, may I ask the hon. member a question?

Mr. Vincent: When I am through speaking.

Mr. Speaker, the Minister without Portfolio said yesterday that it was time to stop passing the buck, that the federal government should stop passing the buck to the provincial government, and that the latter should do the same. The minister feels that a stop must be put to that.

However, when I asked him a question about the price of milk in the province of Quebec, he immediately passed the buck to the provincial authorities, saying that matter came under their jurisdiction. In fact, the reply he gave me then can be found at page 697 of the official report for June 5, 1963.

And yet, the minister said yesterday:

[*Text*]

We have to stop to throw the ball to the provinces and for the provinces to throw the ball to the federal government, and he said exactly this on June 5, 1963.

[*Translation*]

Mr. Speaker, the Minister of Agriculture (Mr. Hays) said yesterday that one of the main problems affecting agriculture in eastern Canada concerned the high cost of agricultural implements used by farmers. In that matter, I ask the minister whether the present government has helped the farmer by levying a sales tax of 11 per cent on building materials, which will increase even more the cost of agricultural machines sold to Canadian farmers?

I ask him also whether the present government has reduced the production cost by levying this tax which will soon reach 11 per cent, and which the Canadian farmer will have to pay on cement, and everything he will need to improve his farm buildings as well as his cattle stalls? Is the production cost reduced by the levying of a tax on everything the farmer must use to raise his standard of living, to operate his farm in an economical way?

We must reduce the production cost in the province of Quebec, but the way the present government acts does not permit us to succeed.

Mention has been made yesterday of feed grain. Indeed, the Minister of Agriculture stated that this year, there are in the eastern elevators more grain, more barley, more oats than last year at the same date. Well, can the minister tell us who owns this grain, this barley, these oats that are now in the elevators of eastern Canada?

It is likely that the price of grain will be raised after the closing of navigation, because transportation by ship costs $4.50 per ton while it costs $13 by train.

The hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin) was right in complaining of that attitude of the minister, and I congratulate him for not accepting that new policy which, in my opinion, is entirely unfair.

Perhaps there is an improvement, but I suggest it is not a desirable one, because speculators are still there. They will probably increase the price of grain by $8 per ton instead of offering a regular price to Canadian farmers.

Japan bought from Canada, and the Japanese authorities know exactly how much the grain will cost them for eight months to come. Why not have the same thing in the east?

The bill of the Conservative government about feed grain was aimed at stabilizing the supply in the eastern section of the country, to establish price equalization, even to favour the production of grain in eastern Canada and finally to assure the stability of prices.

To that effect—and the present Minister of Agriculture is aware of that—a survey was made by the staff of the rural economy division of the Department of Agriculture. That survey concerning the problem of feed grain in the eastern part of the country was intended to give a general idea of some of the problems the government had to solve before making such a legislation operative.

Where are we, today, October 15, 1963? Are there interested people who do not want that legislation put on our statute books? Those are questions that farmers we meet ask themselves, and I also put them to the government.

Mr. Speaker, is the answer to all those questions, as the Minister of Agriculture has already stated, that this legislation will enable the federal government to save $6 to $8 million?

Should that be the case, let us remember that the farmers, particularly in Quebec, where 60 per cent of the farms bring in less than $2,400 per year in gross income, cannot afford to accept that kind of policy.

Our farmers are ready and willing to play their part, that is to say:

1. Feed the world with quality products, at minimum prices.

2. Contribute to the economic progress of the nation.

However, the farmers are conscious of the fact that they have a third role to play, especially this year, because in our part of the country the crops were poor. This third role is to earn a decent living.

Mr. Speaker, that is why the Conservatives moved the amendment I had the honour to second.

Eastern Agricultural Policy Lacking

Mr. C. A. Gauthier (Roberval): May I direct a question to the member for Nicolet-Yamaska?

Mr. Vincent: Yes, certainly.

Mr. Gauthier: Mr. Speaker, I would like to ask the hon. gentleman who has just spoken where he collected his information in order to quote such figures, for I myself referred to the 1962-63 report published by the Farm Credit Corporation, in which it was shown that 109 loans were made in Quebec, as appears in the comparative table for the provinces. Do you have the report?—I do not have it, I sent it—

Mr. Vincent: Mr. Speaker, the thing is this: the report came to me directly from the Social Credit corporation—

Some hon. Members: Oh, oh.

Mr. Vincent: I mean the Farm Credit Corporation.

But you may find the answer to your question on page 835 of the official report for June 10, 1963, question No. 287.

Mr. Gauthier: I would like to ask a supplementary question. Can we rely on the report published by the Department of Agriculture?

Mr. Vincent: Yes.

[*Text*]

The Acting Speaker (Mr. Batten): I hesitate to interrupt this debate but I must advise hon. members that the time allotted to the hon. member for Nicolet-Yamaska (Mr. Vincent) has expired.

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, I wanted to ask a question but I do not think I have time; but I should like to speak to what is almost a question of privilege.

[*Translation*]

I rise on a question of privilege, Mr. Speaker. It is almost a privilege since it concerns the honour of members of the House of Commons and mine particularly. I should like to take exception here to a certain discrimination exerted in this house against those of us who cannot milk a cow. Since the beginning of the discussion, those things have been said over and over again. There are a few of us here in the house who are interested in the problems of agriculture and, for that reason, we want to improve our knowledge in that field. It is a question of honour. And for the information of the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), I repeat it is a question of honour.

[Mr. Vincent.]

Those who have experience in farming should not try to crush us under their superiority every time we rise to speak on agricultural matters.

Mr. Ricard: Go and tell the minister that.

Mr. Pepin: Otherwise, it could be said that the Minister of Transport is not a good minister because he could not run a locomotive or that the minister of immigration is not a good minister because he is not an immigrant. Those comparisons might be a little silly, but I wish to take exception to the attitude of some hon. members who would like to be the only ones to discuss farming problems, and I would also like to challenge some references made about myself by the hon. member for Nicolet-Yamaska (Mr. Vincent).

Mr. Ricard: Go and ask the minister that.

Mr. Pepin: May I now ask the hon. member for Nicolet-Yamaska a question? I should like to ask him if he is, like us, in favour of the appointment of a second minister of agriculture who would have as the assignment of rehabilitating agriculture in the east of the country, as supported by the Catholic Farmers' Union and the Quebec Federated Co-operative?

Mr. Vincent: Mr. Speaker, before answering that question, I shall also like to ask one, or rather I shall answer by another question. Does the government intend to appoint an associate minister of agriculture, a junior minister of agriculture, or does it plan to set up a Department of Agriculture?

Mr. Caron: A Department of Agriculture.

Mr. Vincent: Because, in spite of all the speeches made to date, and I shall have an opportunity to come back to that, everything is quite confused and the hon. member for Drummond-Arthabaska (Mr. Pepin) knows that and he agrees.

Mr. Pepin: Mr. Speaker, on a point of privilege, I never gave my approval to what the member for Nicolet-Yamaska stated a moment ago. Obviously, I have great admiration for him and I want to say it again publicly. But he should not put words in my mouth.

Mr. Vincent: On the same point of privilege, Mr. Speaker, may I—

[*Text*]

The Acting Speaker (Mr. Batten): Order. I must point out to the hon. member that the time allotted to the hon. member for Nicolet-Yamaska has expired. I should also point out to the hon. member for Drummond-Arthabaska (Mr. Pepin) that if he proceeds to ask questions of the hon. member who has just

spoken the time consumed will be considered his time. I call on the hon. member for Kootenay West (Mr. Herridge).

Mr. H. W. Herridge (Kootenay West): Thank you, Mr. Speaker. While we do enjoy a limited amount of this verbal Quebec tiddledy-winks, we do not want to lose our opportunity to take our places in this debate. I rise to express our support for the subamendment. While I think that most hon. members will agree that the subamendment is clumsily worded, it is without a doubt intended to say that both old line parties have failed to implement policies which would result in a Canada-wide stable and prosperous agricultural economy. However, in the interests of biculturalism I trust that future subamendments introduced by the hon. and learned member for Red Deer (Mr. Thompson) will indicate a greater respect for the beauty and precision of the English language. I think that anyone reading the subamendment carefully will agree with us that it does require some literary spinal adjustment.

This debate has been infected by the same lack of constructive purpose that has characterized several previous debates this session. For members on the government side of the house and members of the official opposition to continue their pot-calling-the-kettle-black form of debate is to demonstrate a lack of responsibility which will in time undermine confidence in parliament and engender a lack of respect for members of this house. Speaking on behalf of this group I want to reiterate and emphasize the fact that we believe that, under the present circumstances possibly more than ever, it is our responsibility to deal with these matters in a constructive way. The members of this group believe that we should take advantage of this debate to discuss agricultural policies and legislation in relation to changing needs and circumstances, and believe that it is the duty and function of the opposition to advance constructive alternatives to government policies and proposals. That is what the hon. members of this group have tried to do in this debate.

Now, Mr. Speaker, Canadian agricultural policy naturally contains many unusual ramifications and diversifications. It must, in order to meet the needs of farmers from the Atlantic to the Pacific. The size of our country, its geography, varieties of climate, variations in soil and many variations in conditions present problems which can only be met effectively on the basis of members of this house having complete information and the facts with respect to the problems with which they are called upon to deal. These problems can only be met as a result of co-operation between federal and provincial governments, between governments and farmers' organizations and other groups in the community, and the understanding and active participation of large sections of the rural community by way of giving effect to leadership given by government, and the implementation of the policies announced by government.

I have been appalled, Mr. Speaker, in listening to this debate, at the ignorance of the situation we face today, and at the lack of facts and information upon which to base our decisions on these most important questions. Therefore, I suggest that it is one of the first duties of the members of this house to become informed on all the various questions and problems relating to agriculture, such as land use, production, overseas marketing, transportation, research, farm credit, crop insurance and the relationship between agriculture and the rest of our economy. All this offers a wide field for investigation and study on the part of members of this house. I have done some reading on this question. I have always been interested in agriculture, as have other members of this group. In our own agriculture committee we try to have members undertake studies of certain questions of which they have some knowledge from experience. My hon. friend from Timiskaming (Mr. Peters) was brought up on a farm and has had a lot of experience in farming. My hon. friend from Nanaimo-Cowichan-The Islands (Mr. Cameron) has also demonstrated his knowledge of farming. On one occasion he came to our ranch when I was absent, arriving at a time when there was a certain crisis in the barnyard. I can say, without exaggeration, that he attended to the obstetrical ceremonies required by an ancient cow with dignity, distinction and complete aplomb.

The subject of agriculture and its relationship to government policy generally has, of course, been the subject of considerable study and investigation by persons interested both from a scientific and from a practical point of view. I wish to quote briefly from the November-December, 1960, issue of the *Agriculture Institute Review*. I think the persons who wrote this article made some excellent observations on the subject of the relationship between agriculture and public policy. The article is entitled "Agricultural Legislation in Relation to Changing Need" and it was written by M. Brownstone and C. Schwartz. They are discussing public policy in its relation to farming, and this is what they have to say:

> At the same time, the analysis points towards the central role which the state must play in solving farm problems in accordance with output and income criteria.

Eastern Agricultural Policy Lacking

Despite the validity of this general proposition, significant advances have been made in specific instances where policies have been based solidly on careful and realistic appraisal. Unfortunately, even these advances may well be handicapped by lack of a comprehensive approach—as was pointed out in the case of resource adjustment via farm credit.

One important disability in the effort to build public policy—

They are talking about agricultural policy.

—is divided jurisdiction and its political manifestations. This aspect of our constitution has provided an historic technique for escaping responsibility and for misplacing responsibility. But this is by no means applied consistently. In farm credit, for instance, we have reasonably full expression of national interest and policy combined with ample opportunity for provincial variations. But the development of marketing policy has been replete with skilful evasive tactics leading to an hiatus every decade. And crop insurance is an excellent example of federal power being used very effectively to minimize federal responsibility and potential embarrassment on the one hand and on the other to virtually coerce the provinces into unwilling acceptance of the more onerous and burdensome aspects of such a program.

The farmer as the focus of all this remains largely exposed to the economic elements. Clearly he has not developed an effective political voice any more than he has welded together a solid farm movement. Undoubtedly Canadian farmers could gain strength if (1) they could and would unify in a policy sense; (2) they would approach their problems with greater realism and understanding of the total economy and its dynamics; (3) make greater use of their own economic organizations, largely in the co-operative form; (4) form an alignment with other groups in our economy whose basic aims are not in fundamental conflict with those of the farmer. In this manner, the farmers can perhaps offset their undoubtedly waning political influence as farm population continues to decline both absolutely and relatively. Of course, as against this we have a little prairie homily which goes something like this: "It's not the size of the barking dog that counts but the size of the dog's barking".

I think there are some interesting comments to be found in that article and I would recommend hon. members to look it up in the library.

In this group we try to make constructive proposals with regard to any of the subjects we are called upon to debate in this house. We recognize the complications and difficulties surrounding agricultural legislation and policy. We do not think it is sufficient to refer continually to the past and to say "You did this" or "You did not do that and so on". We had, in the late James Gardiner, despite all the criticisms which were made of him, a particular champion of prairie agriculture and we had in the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton) a man who was thoroughly devoted to the cause of agriculture and who was responsible for having some good legislation placed on the statute books, particularly the ARDA measure, and the Farm Credit Act. I think there is credit due to both sides, and criticism to both sides, as well. However we must look to the future and the solution of these difficulties will require more than just superficial debate. It will require a close study of all the circumstances surrounding the industry in all its aspects from the Atlantic to the Pacific.

I suggest that this need offers a great opportunity for the agriculture committee of this house to function as never before in order to provide a basis for sound agricultural policies. It should undertake a study of these aspects of agriculture about which many members of this house and many people in Canada know very little. I suggest that the occasion presents an opportunity for a committee of the other place to co-operate with the agriculture committee of this house. There should be some planning of this work. I give full credit to the committees of the other place which have undertaken studies of such important subjects as the narcotics problem, the manpower question and the question of land use. Some very useful and constructive work has been done by the committees of the other place which have studied these matters, and I think we should secure the co-operation of the other place in sharing the heavy burden which is imposed by the needs of the moment with respect to understanding the facts relating to agriculture. I suggest that some effort be made to plan this study as between the agriculture committee of this house and the appropriate committee of the other place. A committee should be established and it should call before it senior members of the Department of Agriculture. The first thing to know is the workings of the Department of Agriculture. I have met members of the house who have very little knowledge of how the various branches of the Department of Agriculture work and what their functions are. I think we should get the views of the senior officials on the administrative machinery of today. I believe we should have representatives of the Canadian Federation of Agriculture and of the farmers' unions come before the committee to give evidence and express their opinions. We should have representatives of the fruit growers' organization, the poultry association, the beekeepers and all other farm organizations and those interested in and related to agriculture.

I think we should also get the views of the farmers' wives through the rural women's organizations, because in order to understand the problem we must have the views of all those serving agriculture and working in agriculture. I think we should ask representatives to appear from the Agricultural Institute of Canada, an organization composed of graduates in agriculture and allied sciences

who are giving considerable study to this question and have throughout the years. I think representatives of the Agricultural Institute of Canada could make a valuable contribution to the information on this very important question.

I also suggest that we should have representatives of the Canadian tree farmers association come before the agriculture committee, and I do so because in Great Britain and in Sweden and other European countries tree farming has always been very closely related to agriculture. I am talking about private tree farming undertaken by farmers and others as a part time occupation. Many aspects of tree farming are under the administration of the agricultural departments in these countries, and their agricultural organizations foster this other aspect of farming.

I suggest that we should call before the committee representatives of the tree farmers of Canada so they can tell their story as to the relationship of private tree farming to the development of the family farm, and give us their advice. I also believe we should call representatives of other groups who wish to give evidence before the committee and who can contribute something to the information and knowledge of the committee. We should also ask representatives of the co-operatives and credit unions to come before the committee and give their views with respect to co-operative marketing, agricultural credit and so on.

I know that this represents a pretty heavy agenda, Mr. Speaker, but in my view this is something that must be undertaken if members of the house are going to pay the close and careful attention to agricultural problems that is demanded of them under present circumstances. I say once again it is not sufficient to charge one another superficially with failing to do this or failing to do that.

I believe it should be the responsibility of this committee to make a report to the house and to make recommendations to the house as a result of exhaustive study of the problem. It would then be the responsibility of the government to give very serious consideration to the recommendations of the committee. I am convinced that we are not going to solve any of the vast and complicated problems that face us today unless in the first instance we get the information and the facts, and then seek co-operation between the federal and provincial governments and the organizations of the people directly concerned as well as the daily participation of those who are directly affected by the legislation that is the result of this study.

I make these few observations in what we consider to be our attempt to present some constructive alternatives to the verbal fireworks that have often dominated this debate. Finally, may I say I am a modest man. I have first mentioned that the hon. member for Timiskaming (Mr. Peters) has had farming experience and the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) has also had experience in various aspects of farm operations. As an ancient milkmaid I now volunteer as a person well qualified to referee the milking contest between the Minister of Agriculture (Mr. Hays) and the hon. member for Timiskaming, to which we are all looking forward.

Mr. W. H. Jorgenson (Provencher): Mr. Speaker, in taking part in the debate on the motion brought forward by the former minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), I wish to emphasize the reasoned, practical approach that he took in presenting his motion to the house. He brought to our attention a problem that deserves the consideration of all hon. members. In outlining the problem he brought forward statistics that portray in dramatic detail the fundamental change that has been taking place in our basic economy, in our basic industry, agriculture. This is a process that began a number of years ago, indeed even before the second world war, but it has accelerated within the past few years.

These changes have taken place for several reasons, because of the necessity of mechanization of our farms, because of advances in technology, because of improved land use practices, because of improved cultivation practices and the use of fertilizers, and certainly because of the tremendous competition there is in agriculture and the need to make our agriculture plant as efficient as possible. I do not think there is a group in the Canadian economy that has proceeded at the pace agriculture has in increasing efficiency of production.

But with this growth and with these adjustments have come problems. Contrary to what has been suggested by some hon. members, I do not think there is a panacea. I do not think there is one single solution. I do not think we can deal with these problems by adopting national policies applicable to all parts of Canada in the same manner. The speech of the then prime minister on August 30, 1958, emphasized this point. He emphasized that in reality there were two problems, first of all a national one that had to be dealt with by national policies and then parallel with the national policies must go regional policies to deal with particular situations that arise from time to time. One year there may be a problem in the maritimes. Another year there may be drought on the

prairies. Certainly no one can say that national policies can deal with such situations because they are all different, and the methods of farming are different in these areas.

I suggest there are five basic considerations that must be met in the development of an agricultural policy. First of all, it must meet the requirements of the constitution. In other words, does the federal government have authority in that particular field or is it a matter of provincial authority? Is it possible to develop policies that are the joint responsibility of the provincial and federal governments? We have such programs in effect today, and I refer to crop insurance.

Then, will these policies—and we must avoid this at all costs—result in circumscribing the personal freedom of the farmer to make a decision himself? I think this is important, that the power to make decisions remain in the hands of the farmer. Third, are these policies in keeping with the needed adjustments in the farm industry in view of the foreseeable long term trend? Fourth, is the policy flexible enough to permit adjustment and change as the need arises? Fifth, and this is academic but nevertheless important, will it do the job that it is intended to do?

I suggest to you, sir, that if we are to develop policies that are going to meet the needs of this industry it is necessary that these five basic requirements be met. The Minister of Agriculture replied to what I thought was the reasoned approach of the hon. member for Qu'Appelle. I think every member regarded his speech with some consternation and was somewhat appalled at the attitude the minister took. The statistics presented by the hon. member for Qu'Appelle, I felt, were undeniable. They were reliable and they pointed out a problem. No one has denied that the problem exists, except the minister himself. Did he seriously attempt to deal with the problem outlined by the hon. member for Qu'Appelle? No, he did not. The minister shrugged it off. This, said he, was a lot of junk. What an attitude to take. I am sure that the farmers of the maritimes, those referred to by the hon. member for Qu'Appelle, who are not enjoying the standard of living prevailing in other parts of the country, and who belong to the low income group referred to by the hon. member, are not going to be happy when they find they have a minister who shrugs off their problems and says they do not exist.

Mr. Matheson: He did not say that.

An hon. Member: He did.

Mr. Jorgenson: I ask the hon. member, who frequently becomes very vocal without making too much sense, to refer to the minister's speech. He will see for himself that what I have said is true, unless he has a capacity to read something into that speech that was never put there.

The minister referred to the dominion bureau of statistics figures relating to the first half of 1963. He pointed out that agriculture income during the first half of this year was higher than ever; that it was a record. This is true. I ask him, can the government that now sits over there assume credit for that increase in farm income? I ask them, what policies were implemented when they came to power that would have materially affected the trend that had developed during the early part of the year? What policies have they implemented that would either reverse or accelerate that trend? I am sure if they are honest with themselves they will admit that nothing was done. Certainly, the 60 days of indecision produced nothing that would have affected the trend that was developed by the former minister of agriculture and the former government.

The attitude of the minister, and this was most surprising, was that to be a successful minister of agriculture, you have to milk a cow; you have to know how to put your drill in the ground for seeding and you have to know how to plow a straight furrow. I suggest, sir, that these are not the qualifications that make a good minister of agriculture. Since he is a millionaire farmer, perhaps he has had experience in milking a cow and perhaps he has plowed a furrow. I suggest to him that a more fundamental, a more basic approach to the problems of the farmer referred to by the hon. member for Qu'Appelle would be a little more appropriate at this time.

The minister suggested there were no problems. I noted that, in this respect, his speech was somewhat contradictory in comparison with the speech delivered by the Minister without Portfolio (Mr. Tremblay), who was immediately rushed in to salvage something of the wreck that had been created by the reckless driving of the minister. There was an attempt to cover up the damage and get back what had been lost as a result of the incredibly stupid statements of the minister.

The Minister without Portfolio took a different attitude. He suggested that there was a problem, and he went back over the years in trying to develop his theme. I agree with many of the points the minister made in connection with these problems. First of all, the problems must be properly diagnosed, and they will not be properly diagnosed as long as we have the present Minister of Agriculture. The statement of the Minister

without Portfolio points out one of the basic difficulties we will have as a result of the attempt to divide the Department of Agriculture. This suggestion will produce some rather devastating results, when you have two ministers with views that are so far apart. One minister takes the attitude there is no help needed, while the other has the attitude that there may be a problem.

May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Jorgenson: Mr. Speaker, when the house rose at six o'clock I was in the process of outlining the inadequacies and shortcomings of this government. Having barely got started on that topic, I came to the conclusion during the supper hour that to enumerate them all would take too much time. Therefore in the limited time at my disposal, during the next ten minutes I want to go on to a different part of my speech. Some question was raised during the course of this debate as to what we had been doing about the problem that was outlined to the house yesterday in the statement of the former minister of agriculture. If hon. members opposite want to know what has been done, I would invite them to examine the record. Let them examine the farm credit legislation that was introduced into this house by the previous government. Let them examine the amendments that were brought in a few years later to improve that legislation. It is interesting to note, in this connection, the difference of opinion that exists between the present minister and the pseudo minister who would perhaps have held that portfolio had he been able to win a seat. The present minister says "Blow the lid off"; the former member from Assiniboia was complaining, when the amendments were introduced, that we were making loans that were too large. This is an example of the confusion in the minds of hon. members opposite. This is indicative of the confusion that exists in their minds today and has existed for a number of years.

Let them examine the price stabilization legislation that was brought in, and the amounts of money paid out to deserving farmers in all parts of Canada. Let them examine the Agricultural Rehabilitation and Development Act introduced into this house by the former minister in the Conservative government. In connection with this, Mr. Speaker, I should like to ask the minister—who is still not in his seat and has not been for most of the day—what is happening in relation to ARDA. What has happened to the research programs that have been undertaken? What has been done in order to push forward the plans that were developed by the previous minister? What is happening to the programs that were started in co-operation with the provinces? We get no answers from the government when they are questioned. The minister has a rather quaint way of replying to questions. When problems are brought to his attention he tells us he is either sitting on them or he is peeking at them from some direction through some peephole somewhere. But no statement of policy has even been made by this government in so far as agriculture is concerned.

We, quite rightly I think, accuse the minister of not carrying out the programs that the Liberal party enunciated in such loud terms during election campaigns. But in the final analysis it is the Prime Minister (Mr. Pearson) who is responsible. He has tried to slough off the responsibility, weaknesses and ineptitudes of his various ministers, the fiasco of the Gordon budget, the difficulties the Minister of National Health and Welfare (Miss LaMarsh) got herself into.

Miss LaMarsh: Who, me?

Some hon. Members: Yes, you.

Mr. Jorgenson: These problems concern the Minister of Agriculture and the other members of the government; but in the final analysis it is the Prime Minister who has, in my opinion, shown ineptitude, lack of decisiveness and bumbling inadequacy. What has the Prime Minister done so far as agriculture is concerned? First of all, we have a Minister of Agriculture, who traditionally has been a front bench member of the cabinet, now relegated to the back seats, and practically down to the bottom of the list in seniority. Where have they put his office in the House of Commons? Without a road map and a boy scout you could not even find it. When you do find it, when you do go in to talk over problems with him, he does not want to talk about two subjects—he refuses to talk about them at all—agriculture, and the two ministers of agriculture.

He told us a while ago, and the Prime Minister enunciated this policy during the election campaign, that they were opposed to the payment of acreage payments to western farmers. We could not understand the reason, but the Minister of Agriculture gave us a clue this afternoon when he said that $200 per farmer did not help our 50,000 farmers. Now

we get some idea of which side this government is on. The minister went out west and told the farmers to reduce acreage, and in his quaint way he suggested that they should not spend all their money in one store—"Save up your dollars". They had the supreme audacity, after making the wheat sales to Russia and China, to go out west, the Minister of Agriculture and the Minister of Trade and Commerce (Mr. Sharp), to tell the farmers that these sales meant about $2,000 per farmer. In the southeastern corner of Manitoba there was a crop failure this year, and I would like to know how these sales are going to help the farmers of that area. This is an example of the misleading things they have been saying across this country for a number of years.

I suggest to the Prime Minister that he could have resolved his difficulties in so far as the Minister of Agriculture is concerned. He could have assisted himself. There could have been a vacancy created in the constituency of St. Boniface and the former premier of the province of Manitoba, Mr. Campbell, could have been brought in and could have taken his place, and they would not have had to scrape the bottom of the barrel in this way. I see that the Secretary of State for External Affairs (Mr. Martin) is listening very intently to my remarks. He is obviously impressed with the validity of my indictment against his government and is no doubt contemplating the opportunity that may one day be his to act upon the suggestions I am making at this time.

We have attempted to bring before the house a problem that is very real, a problem that affects every member of the house, and a problem that should receive the attention of the government. It is interesting to note the minister's speech of yesterday and contrast it with the voices of doom we heard during the last election crying out against such things as a stagnating economy and unemployment. The minister, as reported at page 3547 of *Hansard* of yesterday's date made reference to the high consumption of beef which the Canadian people are enjoying. He was attempting to illustrate our buoyant economy, and using the figures up until the end of June this year he said:

> This increase must have been caused by a very buoyant economy and full employment.

What a far cry that is from those voices of doom which we heard during the course of the election campaign.

The minister made a rather interesting observation in connection with what he considered to be the number one problem in Canada today, namely the high cost of machinery. I ask, what has the government done to bring down the cost of machinery? I have seen no action on the part of the government other than to impose a tax on those who produce the farm machinery, thereby raising the cost of it. Their actions of the past come back to haunt them again on this score.

I urge every hon. member of the house to support the motion put forward by the hon. member for Qu'Appelle (Mr. Hamilton). It is an indictment against the bumbling—to use their phrase—fumbling, inept, indecisive, lackadaisical performance of the government, failing in its responsibilities not only to the agriculturists of this country but to Canadians as a whole.

Mr. Speaker: It being 8.15 o'clock it is my duty, pursuant to section 4(d) of standing order 56 to interrupt the proceedings and put the question on any amendment before the house.

The house divided on the amendment to the amendment (Mr. Thompson) which was negatived on the following division:

YEAS

Messrs:

Barnett	Lessard (Lake St. John)
Brewin	Marcoux
Cameron (Nanaimo-Cowichan-The Islands)	Martin (Timmins)
Chapdelaine	Orlikow
Côté (Chicoutimi)	Patterson
Frenette	Peters
Girouard	Prittie
Herridge	Scott
Howe (Hamilton South)	Thompson
Knowles	Webster
Leboe	Winch—22.

NAYS

Messrs:

Addison	Cardin
Aiken	Caron
Alkenbrack	Carter
Armstrong	Cashin
Asselin (Notre Dame de Grace)	Casselman, Mrs.
Asselin (Richmond-Wolfe)	Chatterton
Badanai	Chevrier
Baldwin	Choquette
Basford	Chretien
Batten	Churchill
Beaule	Clancy
Bechard	Coates
Beer	Cooper
Belanger	Côté (Longueuil)
Benidickson	Cowan
Benson	Crossman
Berger	Crouse
Bigg	Cyr
Blouin	Danforth
Boulanger	Davis
Boutin	Deachman
Byrne	Denis
Cameron (High Park)	Deschatelets
Cantelon	Diefenbaker
Caouette	Dinsdale
Cardiff	Dionne
	Doucett
	Drouin

Drury
Dube
Dupuis
Emard
Enns
Ethier
Eudes
Fane
Favreau
Fleming (Okanagan-Revelstoke)
Forbes
Forest
Forgie
Foy
Francis
Garland
Gauthier
Gelber
Gendron
Grafftey
Granger
Gray
Greene
Gregoire
Groos
Guay
Gundlock
Habel
Hahn
Haidasz
Hales
Hamilton
Harkness
Harley
Hellyer
Honey
Horner (Jasper-Edson)
Horner (The Battlefords)
Howard
Howe (Wellington-Huron)
Irvine
Jewett, Miss
Jones
Jorgenson
Kelly
Kennedy
Kindt
Klein
Korchinski
Lachance
Laing
LaMarsh, Miss
Lamb
Lambert
Lamoureux
Langlois
Laniel
Laprise
Latulippe
Laverdiere
Leduc
Lloyd
Loiselle
Loney
Macaluso
Macdonald
MacEachen
MacEwan
MacInnis
MacLean (Queens)
MacNaught
Macquarrie
MacRae
McBain
McCutcheon
McIlraith
McIntosh
McLean (Charlotte)
McMillan
McWilliam
Madill
Mandziuk
Martin (Essex East)
Martineau
Matheson
Matte
Millar
Mitchell
Monteith
Moore
Moreau
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Mullally
Munro
Nasserden
Nesbitt
Nielsen
Noble
Nugent
O'Keefe
Ormiston
Otto
Pascoe
Paul
Pearson
Pennell
Pepin
Perron
Pickersgill
Pigeon
Pilon
Plourde
Rapp
Regan
Rheaume
Ricard
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rondeau
Rouleau
Ryan
Rynard
Sauve
Simpson
Skoreyko
Slogan
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Tardif
Teillet
Temple
Thomas
Tucker
Turner
Valade
Vincent
Wahn
Walker
Watson (Assiniboia)
Watson (Chateauguay-Huntingdon-Laprairie)
Webb
Weichel
Whelan
Willoughby
Winkler——208.

Mr. Speaker: I declare the amendment to the amendment lost.

[*Translation*]

Mr. Ouellet: Mr. Speaker, I was paired with the hon. member for Matapedia-Matane (Mr. Tremblay). If I had voted, I would have voted for the amendment to the amendment.

[*Text*]

Mr. Roxburgh: I was paired. Had I voted I would have voted against the amendment to the amendment.

The house divided on the amendment (Mr. Hamilton) which was negatived on the following division:

YEAS

Messrs:

Aiken
Alkenbrack
Baldwin
Beaule
Belanger
Bigg
Boutin
Cantelon
Caouette
Casselman, Mrs.
Chatterton
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Doucett
Enns
Fane
Fleming (Okanagan-Revelstoke)
Forbes
Gauthier
Grafftey
Gregoire
Gundlock
Hales
Hamilton
Harkness
Horner (Jasper-Edson)
Horner (The Battlefords)
Howe (Wellington-Huron)
Irvine
Jones
Jorgenson
Kennedy
Kindt
Korchinski
Lamb
Lambert
Langlois
Laprise
Latulippe
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martineau
Millar
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nugent
Ormiston
Pascoe
Paul
Perron
Pigeon
Plourde
Rapp
Rheaume
Ricard
Rondeau
Simpson
Skoreyko
Slogan
Smallwood
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler—95.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Barnett
Basford
Batten
Bechard
Beer
Benidickson
Benson
Berger
Blouin

Divisions

Boulanger	Lamoureux
Brewin	Laniel
Byrne	Laverdiere
Cameron (High Park)	Leboe
Cameron (Nanaimo-Cowichan-The Islands)	Leduc
Cardin	Lessard (Lake St. John)
Caron	Lloyd
Carter	Loiselle
Cashin	Macaluso
Chapdelaine	Macdonald
Chevrier	MacEachen
Choquette	MacNaught
Chretien	McIlraith
Côté (Chicoutimi)	McLean (Charlotte)
Côté (Longueuil)	McMillan
Cowan	McWilliam
Crossman	Marcoux
Cyr	Martin (Essex East)
Davis	Martin (Timmins)
Deachman	Matheson
Denis	Matte
Deschatelets	Mitchell
Drouin	Moreau
Drury	Mullally
Dube	Munro
Dupuis	O'Keefe
Emard	Orlikow
Ethier	Otto
Eudes	Ouellet
Favreau	Patterson
Forest	Pearson
Forgie	Pennell
Foy	Pepin
Francis	Peters
Frenette	Pickersgill
Garland	Pilon
Gelber	Prittie
Gendron	Regan
Girouard	Richard
Granger	Rideout
Gray	Rinfret
Greene	Robichaud
Groos	Rochon
Guay	Rock
Habel	Rouleau
Haidasz	Ryan
Hahn	Sauve
Harley	Scott
Hellyer	Tardif
Herridge	Teillet
Honey	Temple
Howard	Thompson
Howe (Hamilton South)	Tucker
Jewett, Miss	Turner
Kelly	Wahn
Klein	Walker
Knowles	Watson (Chateauguay-Huntingdon-Laprairie)
Lachance	Webster
Laing	Whelan
LaMarsh, Miss	Winch—134.

Mr. Speaker: I declare the amendment lost.

Mr. Roxburgh: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Rynard: Mr. Speaker, I was paired with the hon. member for Brantford (Mr. Brown). Had I voted I would have voted for the amendment.

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

[Mr. Roxburgh.]

NORTHERN AFFAIRS—NORTHERN TRANSPORTATION COMPANY, COMPETITION WITH PRIVATE ENTERPRISE

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I have a grievance this evening, and to put it in a nutshell for hon. members it has to do with the government allowing civil servants to make policy in the North-west Territories instead of merely carrying out policy. This means that the government has abandoned its duty to control and give direction to its servants, with the result that the private enterprise sector of the economy has suffered. I am talking, Mr. Speaker, about Northern Transportation Company, which is a crown corporation answering to the Minister of Trade and Commerce (Mr. Sharp) and which is in direct competition with Yellowknife Transportation Company and Arctic Shipping Company. These two private carriers operate along the Mackenzie river and in the Arctic ocean.

I realize, Mr. Speaker, that some members may not be very interested in this subject. I would be quite willing to allow a couple of minutes for them to take their private conversations outside because I know that if I speak more than five minutes at this volume my voice will collapse. When the Northern Transportation Company was set up, it had a very simple job to do, namely that of, supplying Eldorado Mining and Refining at Great Bear lake. Originally, the supplying of fuel in the Arctic was taken on by that company, despite the fact that Yellowknife Transportation, a private concern, was already there and ready, willing and able to undertake the supply job. Many years back, under a former Liberal government, we saw the first step taken which put into the Arctic a company to compete with private enterprise and which violated the rule we have that the government should only provide these services where private enterprise is unable to carry out the needed functions.

Mr. C. D. Howe, who was a member of the former Liberal government, talked about the Northern Transportation Company in this house on several occasions. He said it was not the purpose of that company to complete with private enterprise. He made it very clear that he would have been most surprised at the suggestion there was competition between Northern Transportation and other companies, and expressed the view that Northern Transportation was merely carrying out its function of supplying government agencies in those places where private enterprise was unable to do so.

The situation today, Mr. Speaker, is that Northern Transportation and the Yellowknife

company are competing neck and neck throughout the whole length of the Mackenzie river and the Arctic ocean. As recently as this year, Northern Transportation assumed a new role in the Arctic ocean for the first time. They have gone into the business of carrying bulk oil in competition with Arctic Shipping. I submit that there is a very real grievance on the part of those shareholders in Arctic Shipping who see this trend, and who realize that unless this government stops the civil servants from trying to compete with private enterprise, then the private companies will have to fold up.

I have asked some pertinent questions of the Minister of Trade and Commerce concerning government policy. The most significant answer he gave was to the effect that Northern Transportation Company believed in operating in a businesslike way; that it would continue to improve, repair or replace its equipment as needed. This response to my question about competition indicates the businesslike way in which this company has abandoned its previous role of a crown agency supplying services which were not available, and has developed into an agency competing for every bit of business it can get from private enterprise, just as if it was another private company, and just as if it were answerable to shareholders who wanted to make a profit out of their investment.

I submit that the only reason Northern Transportation Company executives are interested in expanding that business is not to provide further service in the Arctic which cannot be provided by private enterprise, it is not for the good of the government, but is merely a little more empire building by some civil servants who like to feel that they can go to the north. I am sure that any hon. member of this house who has ever been in Canada's Arctic will realize that more than half of the total business of the area is government business, and more than half of the people gainfully employed are working for the government. These civil servants want to take advantage of their position. They want to do some empire building to build up their own name, but they forget that their duty is to the public.

The people for whom I speak are not that worried about government competition, if the government competition were subjected to the same rules and the same regulations as private enterprise. The Northern Transportation Company, in addition to having a natural advantage through its government connections, has stacked the deck. Three years ago the Yellowknife Transportation Company tried to get an L.S.M. ship into Canada. They believed this former wartime vessel could play a very useful role in the transportation of some kinds of goods, and that this ship would enable them to handle their business more efficiently. However, Canadian maritime regulations prohibit the entering into Canada of a vessel more than five years old. This ship was considerably older and the company was refused permission to bring it into the country. The company then built new tugs and new barges at great expense to handle the business as best they could.

The Yellowknife Transportation Company, a private company, was refused permission to bring in the boat, but this spring the Northern Transportation Company, a crown company, brought in the sister ship, another L.S.M., to Vancouver. They started refitting that boat. They knew that the maritime regulations would not permit this, but they sought a government order in council to bypass the maritime commission. I am afraid the minister's answer to me in the house the other day in which he said that the maritime commission would not allow Northern Transportation to further equip the vessel is not quite accurate. It is the vessel itself that comes under maritime regulations. We have the spectacle now of a vessel in Vancouver being re-equipped to do a job in the north, the very thing which our government prohibited private enterprise from doing three years ago. I do not know at the moment how much money the government has wasted on this project. If they are going to make Northern Transportation Company return that vessel, then we have a good grievance against them for wasting this money. Certainly, we have a grievance against the officers of this crown corporation, because not only was private enterprise prevented from doing this same thing three years ago, but the crown corporation, knowing their vessel was three times too old to comply with the maritime regulations, have decided to go ahead and bring it in anyway. They feel that they can get away with what they want.

The answers the minister has given to me in this house and in private conversation, the manner in which the head of the Northern Transportation Company and the deputy minister of Trade and Commerce have acted, indicate that these civil servants either have not told the minister the truth or he is not quite able to understand what they have told him.

It certainly indicates that the Minister of Trade and Commerce fails to understand what is going on in his department. His conversation with me indicates that they do not believe in this extension of competition between the crown and private enterprise, and meanwhile his officials continue on a course

of action which can have no other end result but to knock all private competition out of the north and will within the next year knock out one of the two companies operating up there.

I suggest that hon. members on all sides of the house have the same stake in this matter that I have. The mere fact that the two companies which are suffering at the present time operate in the far north does not make any less serious the fundamental objection that I am sure will be taken by everyone in this house, that we have the crown entering actively into business in competition with private enterprise when there is no need for it; and going even further, taking unfair advantage. I hope some other hon. members who are aware of this problem will go a little further in this matter.

Mr. Gene Rheaume (Northwest Territories): Mr. Speaker, I would like to add my comments to those of the hon. member for Edmonton-Strathcona (Mr. Nugent), particularly in relation to the massive program of extension and building that this crown corporation, Northern Transportation Company, has entered into in direct competition with a private shipping company in the Canadian northwest. In particular I want to point out the failure of Northern Transportation Company to make use of local people from the north on their freighting operations. There is an extensive labour pool of Eskimo and Indian people along the Mackenzie river and along the Arctic coast now being serviced by Northern Transportation Company. The policy of this crown corporation is in direct contrast to policies followed by the private enterprise operation, Yellowknife Transportation, and Arctic Shipping Company, whose policy it was to hire—and still is—Eskimo and Indian people. In fact these private firms have gone so far as to send Indian and Eskimo people from the Northwest Territories to Vancouver at company expense, where they can be taught the skills necessary to qualify them for river operation. As I say, when Northern Transportation Company embarked upon this program of expansion into the Arctic, they did not use the local labour force that was available.

The hon. member for Edmonton-Strathcona has already mentioned that Northern Transportation Company expanded after taking over a small operation from the Hudson's Bay Company. Many experts on the north have a great deal to say about the Hudson's Bay Company and its method of operation. But there is one thing no one can take away from the Hudson's Bay Company; they did make extensive use of Eskimo and Indian people in all phases of their operation. This was particularly true in terms of their shipping operations in the Canadian Arctic. However, when Northern Transportation Company began its expanded operations this summer, the company imported hundreds of workers from southern Canada into such Arctic communities as Tuktoyaktuk, where there was already a labour pool of trained Eskimo people who had no other employment opportunities, now the Hudson's Bay Company was not operating shipping services.

I also want to point out the conflict or the apparent paradox between what the Minister of Transport (Mr. McIlraith) tells us in this house in relation to private enterprise in the north, and statements made by the Minister of Northern Affairs and National Resources (Mr. Laing). In particular I want to refer to an article printed in the northern newspaper entitled *News of the North* of September 5. I might point out that the editor of this newspaper is an executive officer of the Liberal party of the Canadian north, so we must assume that everything he says is absolutely correct. He describes the visit of the Minister of Northern Affairs and National Resources, when he told Yellowknife people:

> Mr. Laing foresaw the gradual withdrawal of the government from economic fields as private industry came into the north.

However, when questioned about this in the house, the minister denied that he had made such a statement. My point is this. On the one hand the Minister of Transport tells us that it will be his policy to allow Northern Transportation Company, with all the power of the public purse behind it, to expand its operations and to compete wherever possible with private firms operating in the north, while one of his colleagues, also enunciating government policy, says in the north that the government will be getting out of direct competition, but later in the house denies that this statement was ever made. This puts the member for the Northwest Territories in a very peculiar position, because one of the recommendations of the Glassco commission was that the operations of the Northern Transportation Company should come under the aegis of the Minister of Northern Affairs and National Resources. At that time this recommendation seemed to have some merit, but in view of the apparent inability of these two ministers of the crown to at least get together so that they present a united front—and I use the word "front" very carefully here—and because they cannot give the house the same story, I think the people of the north have some rather serious doubts that the intentions of the present government in relation to northern development are honest.

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, I should like to state a rather serious grievance because it concerns the attitude of the Prime Minister (Mr. Pearson) with regard to his responsibilities towards parliament.

Aware of the seriousness of my remarks and especially of the seriousness of my grievance—

[*Text*]

Mr. F. J. Bigg (Athabasca): Mr. Speaker, on a point of order, I wish to speak briefly on the same subject.

Mr. Speaker: I was under the impression that the hon. member for St. Mary (Mr. Valade) was speaking on the same subject, but in view of the fact that he is changing the subject I think the hon. member for Athabasca (Mr. Bigg) has priority.

Mr. Bigg: Mr. Speaker, I will try to be brief, in view of the impasse in which we find ourselves. I am afraid that this question of the Northern Transportation Company is not as simple as the proposition put forward by my hon. friend from Edmonton-Strathcona (Mr. Nugent) would seem to indicate. I will agree with him that the Northern Transportation Company has had something of a monopoly on transportation into the north; but my understanding of the matter is that when it was put in by the government of that day nobody was keen on transporting into the north at reasonable rates, and it was only by a government supported company, a crown corporation, that anything like adequate transportation was available into the north.

I have also a very, shall we say, personal interest in this matter because the towns of Fort McMurray and Waterways, which have pioneered the north, rely on the Northern Transportation Company to a great extent for employment. With the cutback in the production of uranium at Uranium City these two towns have been seriously hit. It is only fair to say that this crown corporation has been looking for other contracts in order to keep the payroll adequate to support these two towns. My suggestion is that we do not try in any way to cut back the work of Northern Transportation Company, but rather that we take the positive approach of developing the north to such an extent that not only will Northern Transportation Company be occupied, but that the Yellowknife Company and other companies may be required to carry loads to the north and also on the return haul.

This brings up a question closely allied to the same point, in that it is time the government and the civil service looked into the question of co-operating with the provinces in a reassessment of Buffalo park. The Peace river changes into the Slave river just at the southern end of the park, and water transportation will be the life blood for any future development in the far north, and in Buffalo park itself.

I am sure most hon. members on all sides of the house know that our national parks have been set aside as playgrounds for future generations, and that they are not to be interfered with; but I am sure many hon. members are not aware of the situation concerning Buffalo park. However, knowing Buffalo park as I do, and as many people up there do, it is what might be called a big white elephant. We have set aside an area, approximately 14,500 square miles in my own district alone, which will never become a playground because of the distance from centres of population. It is far too large for anything like a game reserve, but it is extremely rich in minerals, gypsum and timber.

This area has never been properly explored because, as hon. members know, mineral exploration and development cannot be carried on in any Canadian national parks. This may be a quite correct policy for Banff, Jasper and other parks, but it should not apply to Buffalo park. It is time the province of Alberta and the dominion government got together and took a new look at the park. If they did, and if development took place, then Northern Transportation and any other private company that wanted to go into the north would have plenty to do. Instead of worrying about cutbacks in Fort McMurray, Waterways, Yellowknife and down the Mackenzie we would have the opportunity to provide jobs even for many of those who live in so-called southern Canada. I wish to thank the hon. member for yielding the floor to me.

Mr. Speaker: Does the hon. member for Yukon wish to speak on the same subject?

Mr. Erik Nielsen (Yukon): Yes, Mr. Speaker. The problem which confronts the house on the grievance raised by the hon. member for Edmonton (Mr. Nugent), is indeed not so simple, as the hon. member for Athabasca (Mr. Bigg) has pointed out. I think the problem has arisen because of the rightly adopted role of the government during world war II of providing transportation facilities in the north, where such facilities were not available and where private enterprise was unable and unwilling to go into the north to provide them.

During world war II uranium was an essential product which had to be manufactured for the benefit of the nation as a whole. Before the accelerated development of the Arctic both for economic and defence purposes, which began during world

war II, which has continued ever since, and was most dynamically tackled during the six years of Conservative government, transportation was a problem that required government assistance.

The long term interests of Canada demanded that transportation routes into the north be provided, yet there was not the volume of traffic, nor even the immediate potential of traffic, needed to encourage private capital to supply transportation in the variety and quantity that was necessary. The bush pilots blazed the way in the north, but what was urgently required was road, rail and water transportation for bulk goods. In fact the development of the uranium mines in the north pointed up more than ever before the requirement for immediate acceleration of the expansion of transport for the transportation of bulk goods.

At that time the federal government, and rightly so, realized the deficiency of transportation requirements in the north and its obligations in that regard, and it assisted in the provision of those transportation facilities that did in fact open up large sections of our Arctic, and even of our sub-Arctic, during world war II. I think I need only cite the Alaska highway, and of course the establishment of Eldorado Aviation and Northern Transportation, which are both subsidiaries of Eldorado Mining and Refining Company Limited. But the true role of government, as the minister of northern affairs said so often in the Yukon and in the Northwest Territories during his recent visit, was to encourage the development of private industry. With that sentiment expressed by the minister I agree wholeheartedly.

We should encourage the development of private industry, not only in mines and in farmlands, but also in the transportation field, without continuing costly government aid. This is what is happening here; because I am sure if hon. members will recall to their minds the last annual statement of Eldorado Aviation as well as that of Northern Transportation Company—but more so Eldorado Aviation—they will realize this particular operation is a submarginal one now, particularly since the cutbacks in uranium production that have appeared in recent years.

The transportation arms of both of these subsidiaries of Eldorado Mining and Refining Company Limited were set up specifically to provide transportation for the product of the government established uranium mines in the north, but instead of tax dollars being spent to provide these services, private capital should provide them as soon as the traffic flow becomes sufficient to support a privately-owned transportation network. Then, instead of money going out of the national treasury to provide these services, money will be coming into the national treasury in the form of taxes paid by private companies operating in the Arctic.

This is not an isolated view. It is a view which is supported by Mr. Aubrey Simmons, who was the Liberal member of parliament for the Yukon until 1957, and after his defeat in 1957 became the president of Arctic Shipping Company Limited, which company of course was in direct competition with Northern Transportation Company in carrying supplies to D.E.W. line sites and things of that nature.

This whole matter was questioned in the special committee on research in 1961 when we heard evidence from Mr. Harcourt, president of Yellowknife Transportation, and Mr. Simmons of the Arctic Shipping Company Limited, and I think that Mr. Simmons made a good case. I think he was rather a good, misguided Conservative in this respect because he advocated the gradual withdrawal of Northern Transportation Company from competition with private industry in the north.

As I said before, I think the government has a proper role to play in the north where private industry is either reluctant or unable to provide investment capital to erect the framework of transportation which will meet the needs of the north and the ultimate benefit of the nation. When private industry is not willing, then the government has a responsibility to get in there and do it with the taxpayers' dollar.

Here we have a quite different situation. It was pointed up in 1961 when the special committee on research went into detail on this matter. Mr. Simmons on that occasion, when he presented the brief, had this to say:

> With the growth rate in the Arctic at the present time, I submit the time has now arrived for government to make a phased withdrawal from the field of Arctic transportation to allow private enterprise to take up a share of the burden and participate in the great adventure of development of the Arctic.

So many times in the past I have endorsed the views of Mr. Simmons, and here is yet another occasion when I am compelled to agree with my friend. Here was a man who knew the north and its requirements, and he certainly knew the inroads being made on private investment capital and private enterprise in the north by Northern Transportation Company Limited.

Mr. Simmons went on to say in the brief which he presented to the special committee on research that—

> —Arctic Shipping Limited stands ready and willing to assume this responsibility. We are waiting only for the authority that must come from a responsible government source.

Mr. Simmons was not the only one who expressed these sentiments. The same sentiments were expressed by Mr. Harcourt and other officials of Yellowknife Transportation Company Limited, which is the private company operating along the Mackenzie and in the Arctic. They were also held by Mr. Harris, the vice president of Pacific Western Airlines Limited and other officials of that air line. This is not a singular problem relating to Northern Transportation Company Limited; it also involves the other subsidiary of Eldorado Mining and Refining Limited, namely the Eldorado Aviation Company Limited. Here is a company with a DC-4, a DC-3, and a Sikorsky 55, which they had to trade in for two other helicopters because they made a mistake in purchasing this Sikorsky. It was to be used for searching for uranium, and then the demand fell off. Here are these people, in face of a declining demand in their own operations, enlarging their own air force. It seems to me that the taxpayers' dollar is being wasted on an operation like this when there are innumerable private charter companies operating throughout the north and when there is a recognized air line company, such as Pacific Western Airlines Limited, who went on record in the special committee on research in 1961 as saying that they would provide the same service now being provided by the Eldorado Aviation Company Limited, the subsidiary of Eldorado Mining and Refining Company Limited, and at less cost per ton mile. The same guarantee was given by Yellowknife Transportation Company Limited, a company which, all credit due to it, has formed itself and grown, albeit slowly because of the competition offered by this crown corporation, Northern Transportation Company Limited, and grown in spite of a government-sponsored program to limit the development of private investment in the north.

As I said earlier, Mr. Speaker, I think the government has a responsibility in the north to provide transportation facilities when none is available from private sources. But it seems to me that when private enterprise reaches the stage where it is ready to take over and maintain services which were not there when the government entered the field, it is then time for government gradually to withdraw. I say this because it is repugnant, to my point of view, for a government openly to be competing with investment capital, particularly in the north where this capital is so important, a fact about which the minister of northern affairs left no doubt during his recent visits to the Yukon and the Northwest Territories.

There are several possibilities here which may meet the grievance raised by the hon. member for Edmonton-Strathcona. One concerns the question as to what we will do with the assets of Northern Transportation Company Limited and Eldorado Aviation Limited if these companies are subject to a phased withdrawal. Again, in the committee in 1961 we had offers flatly made by the witnesses who appeared before that committee on behalf of Yellowknife Transportation and Pacific Western Airlines, that they would take over the assets of both crown companies if given half a chance. And not only that, but they went further and said by way of compromise that they would operate in conjunction with the crown-owned subsidiaries of Eldorado Mining and Refining Limited. I recall quite distinctly that Pacific Western Airlines made the offer to the committee that they would be only too happy to collaborate with Yellowknife Transportation Limited in providing a co-ordinated water-air service which would be not only equal to, but better than the co-ordinated service now operated by these two crown corporations.

I think, Mr. Speaker, that in order to understand the problem it is necessary to understand the Mackenzie river transportation complex. At the time the board of transport commissioners extended their jurisdiction to the Mackenzie river system in, I believe it was, 1946 there were just four companies in the area. These companies were the Mackenzie River Transport Company, which was a division of the Hudson's Bay Company at that time and which very recently has been taken over by Northern Transportation Company Limited at the request of Mackenzie River Transport. Then there was Northern Transportation Company Limited, the company about which we are talking in this grievance raised by the hon. member for Edmonton-Strathcona. Then there was Yellowknife Transportation Limited, which operated only within the Northwest Territories. And lastly, there was MacInnis Products Limited, which was primarily a fishing company which had a licence to transport goods within a specified area in the Mackenzie district from Fort Smith to Great Slave lake points only.

Without going in detail into the background of these four transportation companies, I think we can leave it at this, that Northern Transportation Company Limited was originally formed by Eldorado Mining and Refining Limited to service and supply their property on Great Bear lake. Eldorado was taken over by the dominion government and became a wholly-owned crown company. Northern Transportation Company Limited, in turn, became a wholly-owned subsidiary of the crown company. The original fleet of

Northern Transportation Company

Northern Transportation Company Limited consisted of $140,000 worth of wooden tugs and barges. The statement recently put out by Northern Transportation indicates a rather phenomenal growth so far as these fixed assets are concerned. In 1940 Eldorado Mining and Refining shut down and Northern Transportation went into active competition as a common carrier over the entire Mackenzie river system. In 1942 Eldorado Mining and Refining reopened as a uranium producer and modern steel tugs and barges replaced the wooden vessels which had been in use. The capital expenditures of this crown company now exceed $12 million. This growth in the face of struggling private enterprise, which in the end is going to be the force which will establish efficient communication in the north, is I think beyond excuse. I would recommend to the minister of northern affairs, who I see is listening to this discussion with great interest and attention, that he very carefully consider the evidence adduced at the hearings in 1961 of the mines, forests, and waters committee. I think he will conclude, as I did, that the time for gradual government withdrawal in the field of water transportation in the Northwest Territories has arrived.

Much could be said about empire building within crown corporations. I do not intend to accuse the Eldorado Mining and Refining Company Limited of empire building because, as I have said, there was an essential service to be performed in the north in a field in which private industry either could not or would not come forward. The government acted most properly in coming to the rescue, as it should, to provide this essential service.

The time has come when we can say that Yellowknife Transportation Company can not only supply an efficient operation to provide a service equal to that now being provided by the Northern Transportation Company, but that it is capable of providing a still better service; and it seems to me to be wrong in principle that a transportation company which was established to carry ore from a mine which was set up during the war in the national interest should be allowed, after this consideration of national interest has disappeared, to expand its operation in open competition with every other water transport concern in the Arctic.

Not only that, but Northern Transportation Company is receiving preferred treatment. In all the negotiations for the D.E.W. line the only consultations which were had were carried out with Northern Transportation Company. No bids were called from private enterprise. The United States government said it needed to move so many millions of tons of material to the D.E.W. line stations. It inquired what carriers were operating and was informed that the carrier was Northern Transportation Company. Nothing was said about other carriers in the area and the result was that the whole of the operation was given to Northern Transportation. It seems to me wrong in principle that such a state of affairs should be allowed to exist. I believe the government would save money by calling for open tenders. I recall very well, in the evidence given in 1961, the operators of the private transportation company saying they could compete and transport the freight at a price less than that being charged by Northern Transportation Company.

I found it surprising that in the face of this evidence the Minister of Trade and Commerce could say the other day that the operations of the company in the north would be not only continued, but expanded, at a time when we have a struggling company in the north which is trying to provide a service supported by private investment capital. This is an instance of the government eroding the foundations of something which the minister himself in his visits to the north praised so highly and declared we should encourage, namely the development of private capital investment. I think the government should take a hard second look at the need for the continued existence of Northern Transportation Company and of Eldorado Aviation. The latter concern is in an even worse position than is Northern Transportation in this regard, because there is a vibrant air industry in the north backed up by years of growth from the days of bush pilots to the present time. The circumstances here are different from those which apply to water transport.

I am glad to see the minister of northern affairs (Mr. Laing) in his place tonight during discussion of this grievance. I urge him to take a hard look at the minutes of the special committee on research in 1961 and do all he can to convince his hard-shelled colleague, the Minister of Trade and Commerce (Mr. Sharp), to have a change of heart. I know that the real interests of the minister are in the north. At least, if he is to remain where he is he has to convey that impression. This is one area more than in any other in which the hon. gentleman can reassure northerners of the sincerity of his belief in the principle he so often enunciated during his visit to the north last summer, namely that the northern part of this country must attract investment capital. This will not be done unless government gets out of fields which private investment capital is ready, willing and able to enter. One of these fields is transportation.

Mr. Lloyd Francis (Carleton): I do not intend to detain the house for very long, but in view of the remarks which have been

made by the hon. member for Edmonton-Strathcona (Mr. Nugent), the hon. member for Athabasca (Mr. Bigg) and the hon. member for the Northwest Territories (Mr. Rheaume), it is clear that this is not a partisan matter. The question of policy involved is one which faced the former government as well as the present one.

I wish to say a word on the question of principle involved in defining the role of a public corporation in the development of natural resources, when there is evidence of a responsible interest being taken by a private corporation in the same field. This is not the first time this matter has been raised in this chamber and I am sure it will not be the last. I am convinced the government will take into account the fact that it is the policy of Canada to give a responsible and important role to private enterprise in the field of resource development.

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): It is my good fortune to be in the house tonight at a time when the Minister of Trade and Commerce is not here because, had he been present, he would no doubt have made a reply to the objections raised by hon. members with respect to the type of transportation provided in the Northwest Territories.

I think this has been a good debate. We are dealing here with the lifeline of the Northwest Territories. In a pioneer country—and this is a pioneer country—transportation comes first, and we are dealing in this instance with the jugular vein of transportation in the territories, namely transportation along the Mackenzie river. I think there is a certain principle to be adopted with respect to the use of public moneys as against private moneys, and I think this principle is held by my own party as well as by the party of the hon. members who have spoken here tonight. I would like to think that public money will be used only to provide a necessary service when private money is either unable or unwilling to provide that service. In such cases it is justifiable to make the required service available out of public money.

I believe the history of the company under discussion will show that it was built up to serve a need which was not met by private enterprise. Now the situation is changing, and the population is growing. However, the Northwest Territories is still a deficit area. They are a very heavy deficit area. I think the people of Canada should know that for every dollar the Northwest Territories are providing in revenue today, other parts of Canada are providing $12. That is a situation we want to reverse. It is one we do not like and we have to make certain definite plans for the future that will overcome it.

I think that the first requirement in a pioneer country is to have reasonable transportation. If it cannot be supplied by private capital then it will have to be supplied by public capital. I think there is an element of subsidization. Certainly there is an advance of funds in respect of the railway now being built from Grimshaw to Hay River and Pine Point. I am going to suggest to the house that in a very few years it will be one of the most advantageous railways in Canada because it is serving the Mackenzie and also serving the great Pine Point mine.

The private companies that have grown up there are rendering excellent service. I think they are expanding. I saw the other day that the private company proposes to put on a vessel to take tourist passengers down the Mackenzie. I predict it will be booked full from the first day it operates because there could be no more interesting holiday trip than a return trip on the Mackenzie river. The equipment of the private company is improving all the time. The service to the customers is better. I believe there have been some reductions in rates, although they have not been large, and this is a high rate area for a variety of causes.

In the Northwest Territories we want to develop as many mines, as many oil wells, as many industries as we possibly can so that the territories will become self-sufficient. We want to try to bring the costs of doing business in the Northwest Territories and also in the Yukon territory as close as we possibly can to the costs of doing business and the cost of labour and everything else in the area of southern Canada. Otherwise the mining properties and other properties in the north would be highgraded, only the best would be taken out, and when we finally came to develop the country it would seem to me we would have to develop it on a general subsidization plan. But if we can bring the cost of doing business in the Northwest Territories approximately to the level of that in southern Canada we will develop the country as it properly should be.

I think we are making very good progress in recent years. As I said before, the Northwest Territories are a deficit area. The people who live there should not be ashamed of that. When the Northwest Territories were fronting not many years ago the luxuriant provinces of Alberta and Saskatchewan of today, there were not very many dollars around in those days in the region that now comprises Alberta and Saskatchewan. So we should not be ashamed of putting social capital into this region. I am quite certain we will retrieve that social capital only by encouraging private investment capital to go in there. We can do so in no other way. Otherwise

we shall have a permanent situation of putting funds in there, and that is something which the taxpayers of southern Canada do not want any more than the people who live in the Northwest Territories.

In my view it is a question of balancing out our situation at the present time. What all transportation companies require, it seems to me, is the same thing that the head of an American railroad once said railways require. He said that they require to see to it that the longest possible distance exists between the locomotive and the caboose. I think that applies to every transportation company. What we need to do is not to divide the pie between the private company and the public company but rather to increase the size of the pie.

I was in the Northwest Territories not long ago and visited Hay River. I am quite certain that hon. members who have spoken tonight will confirm that they have had a very good year on the Mackenzie river. In spite of the terrific damage to Hay River early in May, shipping out of Hay River up the Mackenzie has increased by 50 per cent over last year. The two companies, one private and the other public, have shared the business fairly well and the fact that they are in competition has probably had the effect of keeping costs down somewhat to some of the consumers.

I am sure the house would not want to see a wholly owned public or national company without private competition. I know that the people to whom shipments are made up there would not want to see that situation, and at this particular juncture the fact that Northern Transportation is operating there with public funds probably has an effect upon the rates charged by the private company.

I am concerned that the private company does not lose money, and I do not think they are losing money. With the increase in the amount of shipping on that great river, which I predict is going to be phenomenal in the next few years, I think that the private company will have the opportunity of making headway, and as a policy I would suggest that as time goes on those of us who believe in incentive and the prize should do our very best to encourage the investment of increasing amounts of private capital in the Northwest Territories. That is what I want. I think that is a prerequisite to the health and welfare of that area.

This can apply to those particular investments and activities in which the national government now takes a part. In other words, I think that as quickly as is in the public interest we should move toward a policy that will increase private investment in that area. In my view the debate tonight has been productive of considerable good. As the minister responsible for the Northwest Territories and for the Yukon I, of course, like to see them discussed in the House of Commons. I do say to hon. members that in the immediate years ahead, particularly on the western side of the north, spectacular and very great things are going to happen. We have problems. Social capital has to be put in there. The sooner we can retrieve it the better for all of us and it can be retrieved only by private risk capital being invested in that region.

Mr. Nielsen: Would the minister permit one question? In view of his sentiments concerning the encouragement of private investment capital in the north, sentiments with which I agree 100 per cent, will he undertake to consult with his colleague, the Minister of Trade and Commerce (Mr. Sharp), with a view to calling for tenders for government freight, including D.E.W. line freight which is not now going to public tender, in order to obtain competitive bids on the part of the private operator along the Mackenzie and the government supported operation, Northern Transportation Company? If the government did that I believe they would find that the competition would bring about a lowering in the per ton rates along the Mackenzie basin, and along the Arctic coast as well.

Mr. Laing: The hon. member has asked me a question. He would not want me to get into an argument with my colleague who is not here tonight. I do not know what he said the other day but I do not believe he indicated he was a national expansionist, as was attributed to him tonight. I think he proposed to keep Northern Transportation Company in good repair.

Mr. Nielsen: And improve it.

Mr. Laing: Of course. Improvement is necessary. Otherwise you soon slip back, when you have a bunch of steel barges; and if I were in charge of that department I would want to keep the barges improved too.

Mr. Nielsen: It was the public tender policy I was concerned about.

[*Translation*]

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, since the discussion is on the Northwest Territories and since the period provided for hon. members' grievances is drawing to its close, I should like to make a few remarks even if they do not specifically concern the matter discussed before. In fact,

I think we should recall the words spoken by the hon. member for Sherbrooke (Mr. Chapdelaine) during the debate on the address in reply to the speech from the throne when he said that parliamentary procedure should be amended.

[*Text*]

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I had a word to add on the subject that has been under discussion. I realize there are other hon. members who have grievances to bring before the house. I merely want to underscore what the Minister of Northern Affairs and National Resources (Mr. Laing) has said with reference to northern development. The reason I have risen to add this brief word at this time is that it seems to be a strange phenomena—

Some hon. Members: Order, order.

[*Translation*]

Mr. Speaker: Does the hon. member wish to speak on the same matter?

Mr. Marcoux: I said I wanted to speak on the matter of the Northwest Territories, but I do not intend to repeat what was said by the minister, the other hon. members, or what the hon. member for Brandon-Souris (Mr. Dinsdale), the previous minister of northern affairs and national resources, wishes to say.

I wish to discuss the Northwest Territories since that is the grievance raised at the present time and I wish, in passing, to make a little comment on parliamentary procedure which allows us to state pleasant things in this house, to make very interesting and instructive dissertations in this house and, in so doing, to lose a lot of time since we are not allowed to embark on another matter.

I do not wish to prevent the hon. member for Brandon-Souris from saying a few words. I just want to remind the government that, as a supporter of provincial autonomy, for Quebec as well as for the other provinces, I am of the opinion that the whole matter relating to the Northwest Territories and also the establishment of the new territory of Nunassiaq should only be settled after an agreement has been reached with the provinces.

Hon. Paul Martineau (Pontiac-Temiscamingue): On a point of order, Mr. Speaker. With all due respect for the hon. member who has the floor, I submit that the grievance stated related to a specific point concerning public and private transportation in the Northwest Territories. Therefore, one cannot discuss things in general concerning the Northwest Territories and relate them to the province of Quebec, because then we would be dealing with another subject while there are other members who wish to speak on the matter at hand.

In my view, the hon. member who has the floor is out of order, and another member has already expressed his intention of speaking on the matter.

[*Text*]

Mr. Speaker: I must say that I believe the point is well taken by the hon. member for Pontiac-Temiscamingue. Unless the hon. member for Quebec-Montmorency can restrict himself to the subject in hand, under the rules I must give the floor to the hon. member for Brandon-Souris.

[*Translation*]

Mr. Marcoux: Mr. Speaker, I thank you for your ruling and I give the floor to the hon. member for Brandon-Souris.

I only want to point out to the hon. member for Pontiac-Temiscamingue that transportation is a matter that comes also under the jurisdiction of the provinces, because there is a provincial board of transport. When transportation is discussed, it is quite a general subject, and I think one cannot be blamed for looking after the interests of his province as much as those of the others.

And now I give the floor to the hon. member.

Mr. Martineau: Mr. Speaker, the last remarks made by the hon. member for Quebec-Montmorency are completely out of order.

I rose on a point of order simply to make sure that the regular procedure is followed. It is not that we are not interested in the matter raised by the hon. member for Quebec-Montmorency; on the contrary, I admit that it is a very important matter, but, in my opinion, it is not the right time to discuss it.

[*Text*]

Mr. Dinsdale: I intended to speak for only one minute, and that seems to be about all the time we have left before reaching ten o'clock. It seems to be the lot of hon. members who, from time to time, have responsibility for northern affairs to be captured by the spell of the north. This certainly has been demonstrated by the words of the minister here tonight. I suggest to him, and I think this would be well borne out by the debates we have had in this house over the past few years, that there is a need to interpret this attitude towards the peculiar problems of northern development to all the members of treasury benches. From time to time, this theme is developed in the House of Commons and it seems to me that there are those in governments, and I am not being partisan when I say this, who fail to appreciate the

special problem of northern development which has been outlined by members who have spoken with reference to this subject of transportation in the north.

It does require the constant vigilance of the responsible minister to ensure that all the members of a government are aware that private enterprise must be nurtured and cultivated in every way possible. If it were possible in government organization, I would suggest that the minister of northern affairs, the minister especially responsible for northern development, should have under his wing in a more direct manner than he does at the moment, the responsibility for transportation problems in the north. Only he has the opportunity of familiarizing himself with this huge area of Canada which is bright with promise, and yet is still largely an unknown quantity in terms of its future potential. If there is one contribution I could make to this discussion tonight by way of concluding it at this hour of ten, it is to urge upon the minister that he urge upon his colleagues in the cabinet, the program and the policy that he has so clearly enunciated tonight.

Mr. Speaker: It being ten o'clock, it is my duty, pursuant to section 4 of standing order 56, to interrupt these proceedings and put forthwith the question now before the house.

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

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF FISHERIES

1. Departmental administration, $461,000.

DEPARTMENT OF NORTHERN AFFAIRS AND NATIONAL RESOURCES

1. Departmental administration including federal share of the expenses of the secretariat for the resource ministers council, $1,018,600.

DEPARTMENT OF VETERANS AFFAIRS

1. Departmental administration, $2,406,800.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader if the business for tomorrow is the same as he announced last night?

Mr. Pickersgill: Yes, it is intended to go ahead tomorrow with the income tax bill and, if possible, to continue it until it has been completed.

It being two minutes after ten o'clock the house adjourned, without question put, pursuant to standing order.

HOUSE OF COMMONS

Wednesday, October 16, 1963

The house met at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that I have received the following communication:

Ottawa, October 15, 1963.

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy to His Excellency the Governor General, will proceed to the Senate chamber today, the 15th of October, at 5.45 p.m., for the purpose of giving the royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
A. G. Cherrier,
Assistant Secretary to the Governor General.

PRIVILEGES AND ELECTIONS

REQUEST FOR UNANIMOUS CONSENT FOR MOTION FOR CONCURRENCE IN SECOND REPORT

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, on motions I should like to ask the unanimous consent of the house in order that the report of the committee on privileges and elections be considered this very day.

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Although perhaps this procedure is slightly irregular, I think we should deal with the suggestion made by the hon. gentleman. I may say I have consulted my hon. friend from Hull, and if there was unanimous consent, and if there seemed to be a reasonable disposition on the part of the house to dispose of this matter today—this is, after all, a short day—the government would be disposed to agree to proceeding on the basis of unanimous consent. However, the matter rests with the house.

Mr. Speaker: Does the house give unanimous consent?

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I find myself constrained to prevent unanimous consent from being given to a discussion of the Caouette group's claims, and that for two reasons. First, because Wednesdays, Thursdays and Fridays are usually devoted to government business, while Mondays and Tuesdays are normally reserved for matters brought up by the opposition.

Then the leader of the "Ralliement des créditistes" stated in Quebec city, last Sunday, that his group was giving parliament only three days to recognize the thirteen Creditistes members. On that occasion, he also stated: we will find the means, through independence, to have the existence of French Canadians recognized—

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, on a point of order.

Mr. Speaker: Is this a point of order?

Mr. Belanger: Yes, Mr. Speaker.

I do not think the hon. member for Sherbrooke has the right to raise a discussion at this stage. He is only entitled to say whether or not he is giving his consent. If he does not wish to have us deal with the motion today, then he is simply opposed to the unanimous consent of the house and we do not have to know about anything else.

Mr. Speaker: I think you are right.

Mr. Chapdelaine: Mr. Speaker, I believe I may explain why I do not give my consent—

Mr. Belanger: You have no right to.

Mr. Chapdelaine: —to a debate on the motion today.

Mr. Belanger: Mr. Speaker, the hon. member has no such right.

Mr. Speaker: This is not the time to submit arguments, but simply to find out whether or not there is unanimous consent.

Mr. Real Caouette (Villeneuve): Mr. Speaker, I rise on a question of privilege. When the hon. member for Sherbrooke refers to the Caouette group in the house, he is grossly mistaken. For his information, we are Social Crediters sitting in the House of Commons.

Mr. Gregoire: Mr. Speaker, since I am the one who asked—

Some hon. Members: Order.

Mr. Gregoire: Mr. Speaker, now that the barkers of the Liberal party have finished—

Mr. Speaker: Is the hon. member rising on a question of privilege?

Mr. Gregoire: Yes, Mr. Speaker. Since I am the one who asked for the unanimous consent of the house, I must say that the very ones who object are those who are trying to stick

with us, when we want to get rid of them as soon as possible.

[*Text*]

Some hon. Members: Agreed.

Mr. Speaker: It seems obvious that unless unanimous consent is given I am obliged to proceed with the orders of the day in accordance with the rules.

Some hon. Members: Agreed.

Mr. Speaker: Am I under a misconception? Does the house give unanimous consent or not?

Some hon. Members: No.

[*Translation*]

Mr. Chapdelaine: Mr. Speaker, I am against giving consent. I wanted to state my reasons, but I was prevented from doing so.

[*Text*]

QUESTIONS

Mr. Pickersgill: Mr. Speaker, the following questions are being answered today: 873, 1,022, 1,088, 1,119, 1,169, 1,174, 1,202, 1,220, 1,234, 1,243, 1,278, 1,284, 1,286, 1,287, 1,288, 1,289, 1,290, 1,292, 1,294, 1,312, 1,313, 1,332.

I would ask that question No. 1,141 be made an order for return. If Your Honour would be good enough to call starred questions 1,236, 1,256, 1,264, 1,271 and 1,274 I would ask that the remaining questions be allowed to stand.

(Questions answered orally are indicated by an asterisk.)

PUBLIC WORKS PROJECTS NOT TO BE CARRIED OUT

Question No. 873—**Mr. Pigeon:**

1. What are the projects of the Department of Public Works which are included in the estimates but which will not be carried out in 1963-64?

2. What is the number of these projects, by provinces, and by constituencies, and the amount allocated for each project?

[*Translation*]

Mr. Badanai: 1 and 2.

Location and Riding	Projects	Amounts
Newfoundland (1)		
Cornerbrook (Humber-St. George's)	Improved premises for federal services	$130,000
Nova Scotia (2)		
Halifax (Halifax)	Public building	350,000
Sheet Harbour (Halifax)	Public building	40,000
Quebec (2)		
Montreal (Dollard)	Building to house U.I.C. office for for north section	115,000
Repentigny (Joliette-L'Assomption-Montcalm)	Dredging	200,000
Ontario (5)		
Lambeth (Middlesex East)	Public building	40,000
Meaford (Grey-North)	Harbour improvements	75,000
Prescott (Grenville-Dundas)	Public building	150,000
Sauble Beach (Riviere Sauble) (Bruce)	Harbour improvements	60,000
Tavistock (Oxford)	Public building	30,000
Alberta (1)		
Calgary (Calgary South)	Public building	300,000
British Columbia (4)		
Fort Nelson (Cariboo)	Public building	50,000
Sooke (Esquimalt-Saanich)	Dredging	90,000
Victoria (Victoria)	Public building	300,000
Victoria (Victoria)	Harbour improvements	135,000

CLASSIFICATION OF PRINT SUPPLIERS, P.P. AND S.

[*Text*]

Question No. 1,022—**Mr. Fisher:**

1. Does the Glassco commission report, volume 2, page 305, paragraph 2, regarding the Department of Public Printing and Stationery, report that "classification of printers based on the quality of printing jobs previously undertaken is inadequate and, therefore, contracts for prestige or specialized work may be let to printers without the necessary capacity or equipment" and, if so, which classification of suppliers results in contracts being let to printers without the necessary capacity and equipment (a) the classification on which the print buyer bases his selection of tenderers or (b) the classification on which the chief purchasing agent may alter the selected tenderers or (c) the classification of those other than in the purchasing and stores branch who have the authority to alter the print buyer's selection of tenderers?

2. Does the print buyer maintain records of print suppliers pertaining to (a) to equipment capacity (b) are suppliers with insufficient capacity and equipment classified or known from printing jobs previously undertaken (c) do government departments inform the print buyer of poor quality printing bought by the purchasing division?

3. Are any purchasing records pertaining to (a) printers' equipment and capacity (b) classification of printers from printing jobs previously undertaken (c) classification of any suppliers whatsoever maintained in any office of the Department of Public Printing and Stationery other than purchasing and stores branch and, if so (d) in what office (e) for how long and (f) what are the various divisions of the classifications?

Mr. Drury: 1. Yes. Since the Glassco commission report gave no specific detail as to which printing jobs were referred to under this section, it was not possible to comment upon which classification of suppliers might have been responsible for the allocation of work to printers considered to be "without the necessary capacity or equipment".

2. (a) Yes; (b) yes; (c) yes.

3. (a) Yes; (b) no; (c) yes; (d) the office of the queen's printer; (e) two years; (f) e.g., engravers, typesetters, carbon interleaved forms manufacturers, printers by size of equipment, calling cards manufacturers.

INDICATION OF PRICE ADVANTAGE ON RETAIL PACKAGES

Question No. 1,088—**Mr. Orlikow:**

Is the government considering legislation or regulations to prohibit the printing on packages of information stating or implying that the product is being offered for sale at a price lower than the customary retail price or that a price advantage is being accorded to the purchaser because of the size or quantity of the package (but this does not apply to the ultimate retailer)?

Mr. Pickersgill: None beyond that now in effect.

CRIMINAL CODE AMENDMENT RESPECTING PRE-SENTENCE REPORTS

Question No. 1,119—**Mr. Orlikow:**

Is the government considering amending the Criminal Code along the lines recommended in the Fauteux report so as to provide that (a) where a convicted person is between the ages of 16 and 21 years or where a maximum term of imprisonment of two years or more may be imposed, no offender should be sentenced to any term of imprisonment without consideration by the court of a pre-sentence report (b) no sentence involving corporal punishment should be imposed upon any offender without prior consideration of a pre-sentence report concerning the physical and mental condition of the offender (c) no sentence of corporal punishment should be executed until full inquiry has been made by the remission service and the responsible authority has ordered that there will be no interference with it?

Mr. Chevrier: As to (a) and (b) the desirability of such amendments is being studied in the Department of Justice in connection with the continuing criminal law amendment program. As to (c), while no amendment has been made to this effect, the national parole board is expressly empowered, upon application, to revoke or suspend any sentence of whipping and as a matter of practice, any such sentence is suspended by the board pending such investigation.

PAROLE BOARD—FUNCTIONS OF CHAIRMAN AND DIRECTOR

Question No. 1,169—**Mr. Orlikow:**

Is the government considering separating the functions of the chairman of the parole board and director of the parole service so that these two be administered by two separate people rather than one person as is now the case?

Mr. Chevrier: The answer is no, because the functions of the chairman of the parole board and the director of the parole service are administered by two separate people. This is in accordance with the organization proposed by the Fauteux report which quotes as follows:

"The chairman of the board should be the chief administrative officer for the purposes of all the operations of the board. The day to day administration of the parole service should be the responsibility of an executive director who should be responsible to the chairman of the board. It would be the responsibility of the executive director to see to the proper investigation of cases and the preparation of material in relation to them for consideration by the board and also the supervision of parolees."

DETAILS OF CERTAIN PAYMENTS LISTED IN PUBLIC ACCOUNTS

Question No. 1,174—**Mr. Thompson:**

1. In reference to payments by privy council, as recorded in the public accounts 1961-62, page 28.6, as follows:

Leatham, Simpson Limited, management consultants, Montreal, Quebec—$69,693;

Peat, Marwick, Mitchell & Company chartered accountants, Ottawa, Ontario—$217,040;

MacDonald Currie Ltd., Ottawa—$59,365;

Price, Waterhouse and Company, Ottawa and Montreal—$47,255;

G. Tilley, Ottawa—$27,120;

W. Wallace, Muir Associates Limited, Ottawa—$37,520.

(a) what was the basis of the engagement of this type of personnel (b) what was the rate of remuneration and the controls, if any, on the quantity of services rendered?

2. Under the Department of Public Works, public accounts, page 31.24, is listed the payment for the Ottawa Car and Aircraft building, $164,500, (rented), landlord L. Mayzel; and also for Albert, Kent and Slater streets, $173,678. With reference thereto: (a) what are the terms of leases (b) for what is this spaced used?

Mr. Pickersgill: 1. (a) Engagement was by an exchange of correspondence between the royal commission and the firm or individual concerned, setting out terms as approved

by the treasury board, under authority of P.C. 1960-1269 of 16 September, 1960.

(b) The rate of renumeration varied according to the qualifications and experience of the individual; supervision of the work was provided in the usual way by the directing staff of the royal commission.

2. Ottawa Car and Aircraft building—2 leases:

Lease No. 1—(a) From February 1, 1960 to September 30, 1960, and monthly thereafter at $21,000 per annum. Lease was terminated on September 30, 1961, so only half the annual amount ($10,500) was entered in the 1961-62 public accounts; (b) this space was used by the Department of Public Works, purchasing and stores branch, for furniture storage.

Lease No. 2—(a) From February 1, 1960, and runs to January 31, 1965, at an annual rental of $154,000; (b) This space is used by the Department of Veterans Affairs, war service records.

Albert, Kent and Slater streets (Kent-Albert building)—4 leases:

Lease No. 1—(a) From March 19, 1956 to March 31, 1966 at $111,065.07 per annum; (b) For space occupied by the national film board and the Departments of Public Works and Northern Affairs and National Resources, for office accommodation.

Lease No. 2—(a) From May 28, 1956 to May 31, 1966 at $39,644.63 per annum; (b) For space occupied by the national film board and the Departments of Public Works and Citizenship and Immigration, for office accommodation.

Lease No. 3—(a) From September 24, 1956 to March 18, 1966, at $18,800 per annum; (b) for space occupied by Department of Citizenship and Immigration, for office accommodation.

Lease No. 4—(a) From December 15, 1957 to December 31, 1962, at $4,167.96 per annum; (b) For space occupied by the civil service commission, for office accommodation.

GORDON SHEPPARD

Question No. 1,202—**Mr. Fisher:**

1. What office does Gordon Sheppard hold in the government?

2. What is his age, place of birth, institutions of education attended and educational qualifications, governmental or business experience (position held, length of experience, name of firm or employer), and initial and present salary with the government?

3. What length of time has this gentleman undertaken to serve the government and/or what engagement in length of time was given to him?

4. In brief, what particular qualities of Mr. Sheppard led to his engagement?

[Mr. Pickersgill.]

Mr. Pickersgill: 1. Mr. Gordon Sheppard was appointed special assistant to the Secretary of State effective October 1, 1963.

2. Mr. Sheppard, 26, was born in Montreal and is bilingual. He received his senior matriculation at the University of Toronto schools, Toronto. Subsequently, Mr. Sheppard studied political science and economics at the University of Toronto (B.A. 1957) and history, under A. J. P. Taylor, at Magdalen college, Oxford University, England (B.A./M.A. 1960).

In the summer of 1957, Mr. Sheppard worked as a reporter for the Quebec *Chronicle-Telegraph.*

From 1957-1960, he wrote feature articles for the Toronto *Telegram.*

From 1960-1961, Mr. Sheppard worked for the Canadian Broadcasting Corporation (public affairs—television and radio), as interviewer, story editor, writer and film director.

In 1961, Mr. Sheppard co-founded Inter-Video Productions Limited to produce television programs and films. From 1961-1963 he was vice president and director of Inter-Video Productions Limited. Included among Mr. Sheppard's television productions was a unique C.T.V. program featuring Mr. Douglas Fisher, M.P.

Mr. Sheppard's salary is $10,000 per year.

3. During pleasure.

4. His education and experience.

BEAUCEVILLE, QUE., POST OFFICE CONSTRUCTION

Question No. 1,220—**Mr. Perron:**

1. Why was it necessary to start building the Beauceville post office again?

2. Were the changes that have been carried out provided for in the plan originally accepted?

3. Are the changes to the initial project expected to increase the cost?

4. What is the estimated cost of the increased expenditures brought about by these changes?

5. Why was the original project changed after it had been accepted?

[*Translation*]

Mr. Badanai: 1. Part of the structure had to be rebuilt due to an error in the plans.

2. No.

3. Yes.

4. $2,450.00.

5. Because, in the original plans, the floor level was too low as compared with the sidewalk level.

[*Text*]

DAWSON CITY, Y.T.—AIRPORT IMPROVEMENT

Question No. 1,234—**Mr. Nielsen:**

Has the government received any representations for the improvement of the airport at Dawson city in the Yukon Territory and, if so, from whom were such representations received, and what action is intended by the government in respect thereto?

Mr. McIlraith: No representations have been received for improvement to the Dawson city airport since those received from the Dawson city chamber of commerce in March, 1961. These representations requested that the runway be lengthened to provide for the increased traffic anticipated for the 1962 gold rush festival. An economic study was subsequently made which did not support the expenditure of federal funds at that time for that purpose, and Mr. Nielsen, M.P., was advised by the Minister of Transport on July 31, 1961, that a case could not be made for this work.

*RAMPART DAM PROJECT, ALASKA

Question No. 1,236—**Mr. Nielsen:**

1. Has the government of Canada, or any official or employee of the government, had any consultations with, or exchange of notes or correspondence from the government of the United States of America, or any official or employee thereof, with respect to the proposed Rampart dam project in the state of Alaska and, if so, what is the nature of such consultations, notes or correspondence?

2. Does the government of Canada intend to make representations to the government of the United States of America pointing out the harmful effects which the construction of the Rampart dam project will have with respect to the potential hydroelectric development of the Yukon river and its watershed, with all related harmful effects which would result from the flooding of the areas adjacent to the Yukon river, if the Rampart project were to proceed.

Mr. Martin (Essex East): 1. Informal consultations have been held between officials of certain departments of this government and the appropriate departments of the government of the United States with a view to obtaining such preliminary information as is available with regard to this project, which is still in the research stage. Some correspondence has been directed by departments of this government to the United States authorities with the same objective.

2. In view of the very limited knowledge of this project that is available at the present time, no decision with regard to such action is now possible.

COASTAL TRAFFIC—SHIPS REGISTERED IN CANADA

Question No. 1,243—**Mr. Beaule:**

1. How many ships are registered in Canada at the present time?

2. What proportion of the total quantity of iron ore shipped out of Seven Islands in each of the past five years has been carried by ships registered in Canada?

3. What proportion of Canadian coastal traffic was borne in each of the past five years by ships registered in Canada?

Mr. Pickersgill: 1. 22,629 as of October 1, 1963.

2. Percentage of total quantity of iron ore shipped out of Seven Islands, carried by ships registered in Canada:

1958, not available; 1959, not available; 1960, 24.0; 1961, 32.4; 1962 (estimate only), 34.8.

3. The percentage of Canadian coastal traffic borne by ships registered in Canada: 1958, 87.5; 1959, 88.7; 1960, 85.8; 1961, 85.1; 1962 (estimate only), 86.6.

*TRIALS OF INMATES, ST. VINCENT DE PAUL PENITENTIARY

Question No. 1,256—**Mr. Howard:**

1. How many inmates of St. Vincent de Paul penitentiary have been tried and convicted for offences arising out of the riot in that penitentiary on June 17, 1962, and what were (a) the charges, and (b) the sentences imposed in each case?

2. How many such inmates are still awaiting trial for charges laid as a result of the said riot?

Mr. Macdonald: 1. Eight inmates have been tried and convicted.

The charges and sentences in each case are as follows:

Inmate No. 3605, Nicholas G., charged with taking part in riot, causing damages to property and assaulting a peace officer. Sentenced to 14 years consecutive.

Inmate No. 4318, Bernier G., charged with interfering in the duty of a peace officer. Sentence suspended, awarded a $200 bond to keep peace.

Inmate No. 6262, Bonenfant P., charged with taking part in riot, causing damages to property and assaulting a peace officer. Sentenced to seven years concurrent.

Inmate No. 7043, Young W., charged with taking part in riot, causing damages to property and assaulting a peace officer. Sentenced to nine years consecutive.

Inmate No. 7166, Gunn, A., charged with taking part in riot and causing damages to property. Sentenced to one day concurrent.

Inmate No. 7451, Beaulieu M., charged with taking part in riot and causing damages to property. Sentenced to five years concurrent.

Inmate No. 5142, Drapeau E., charged with taking part in riot and causing damages to property. Sentenced to 23 months concurrent.

Inmate No. 6462, Boloyan G., charged with taking part in riot and causing damages to property. Sentenced to 23 months.

2. 22.

*SITE FOR PENITENTIARY, ST. PIE DE BAGOT, QUE.

Question No. 1,264—**Mr. Ricard:**

1. Did the government purchase four farms located on the Grand Rang Saint-Francois at St. Pie de Bagot for $83,000 in 1962 as the site for a medium-security penitentiary?

2. Has the government cancelled this project and, if so, for what reason, and what use will be made of this property by the government?

[*Translation*]

Mr. Macdonald: 1. Yes.

2. The uprising at St. Vincent de Paul penitentiary convinced us that it is more urgent to build a special detention unit and a maximum security penitentiary than the proposed institution for juvenile delinquents. Therefore, the construction program was slightly changed.

To facilitate access to those two institutions of St. Vincent de Paul penitentiary, it was found necessary to build on the north shore of the St. Lawrence and steps have been taken in that connection.

The properties at St. Pie de Bagot will be kept by the penitentiary service for future use.

[*Text*]

*ACREAGE PAYMENTS TO WESTERN FARMERS

Question No. 1,271—**Mr. Rapp:**

1. What was the total amount of acreage payments made to the Western Prairie farmers by the previous government during the three years these payments were made?

2. What was the total amount received by Alberta farmers, Saskatchewan farmers and Manitoba farmers, separately?

Mr. Beer: 1. Acreage payments totalling $120,322,467 were paid to western prairie farmers on three occasions. These payments commenced in October 1958, September 1960 and February 1962.

2. Alberta, $39,652,725; Saskatchewan, $59,118,114; Manitoba, $21,551,628.

*CONSTRUCTION OF VETERINARY COLLEGE, SASKATOON

Question No. 1,274—**Mr. Forbes:**

Was an agreement entered into with the province of Saskatchewan for the construction of a veterinary college at Saskatoon and, if so, (a) what is the amount of the federal government's contribution towards the cost of same (b) will the college be constructed in time to accommodate students in the fall of 1964?

Mr. Beer: The government has undertaken to contribute 25 per cent of the capital cost of establishing a veterinary college in western Canada, to a maximum of $625,000, the location of the college to be decided by the western provinces. The decision of the western provinces has been to locate the college in Saskatoon at the University of Saskatchewan. The contribution of the government of Canada will, therefore, be available towards the capital cost of a veterinary college at that location.

It is a condition of the federal assistance that students who have completed their first year of veterinary studies at a pre-veterinary course at other institutions be accepted into the second year of veterinary studies at the new college not later than the fall of 1964.

[Mr. Macdonald.]

SUMMER COURSES, GROSSE ILE EXPERIMENTAL STATION, QUE.

Question No. 1,278—**Mr. Berger:**

Does the Department of Agriculture, production service (health of animals division) sponsor summer courses at Grosse Ile experimental station, Montmagny county, Quebec, and, if so (a) by whom are these courses organized, and of what do they consist (b) how many courses are so given every year (c) who is permitted to follow these courses, and how many persons follow them (d) what personnel is required for the purpose of conducting the courses, and what is the detailed annual cost of the said operation?

Mr. Hays: Yes, the Department of Agriculture, health of animals branch does sponsor courses at Grosse Ile experimental station, Montmagny county, Quebec.

(a) The health of animals branch, Canada Department of Agriculture organizes these courses. The courses consist of demonstrations and lectures on exotic animal diseases and applicable control measures.

(b) Usually one course of 10 days or two weeks duration is given each year. In June, 1963 the United States department of agriculture operated a similar course at Grosse Ile for their own veterinarians, with two Canada Department of Agriculture veterinarians attending. The cost of this course was borne by the United States department of agriculture.

(c) Veterinarians of the health of animals branch, Canada Department of Agriculture and, occasionally, veterinary officers of national foreign governments. As an example, this year, at the request of the Australian department of agriculture, two veterinarians from that country attended. Twenty veterinarians attend each course.

(d) To conduct the normal course the personnel required are as follows:

(1) Professional and technical full time staff of the animal pathology division, health of animals branch, Canada Department of Agriculture, who are on instructional duty four or five at a time with a total of 12 involved during the course period.

(2) Casual staff to attend animals, perform cleaning services and prepare meals. The number of casual staff employed is eight.

The detailed cost of operating the 1963 course which is about average, was:

Wages of casual staff	$2,738
Experimental animals	560
Animal feed and other supplies	300
Food for meals	1,100
Total	$4,698

MILK AND CHEESE PRICES, QUEBEC

Question No. 1,284—**Mr. Vincent:**

1. How much did milk, used for making cheese, cost in the province of Quebec in June, July and August 1962 and 1963?

2. What was the price of white Quebec cheddar, grade 1, in June, July and August 1962 and 1963.

Answer: 1. Average cost of milk used for making cheese, f.o.b., factory, Quebec.

	1962	1963
	$ per cwt.	$ per cwt.
June	2.85	2.90
July	2.85	2.90
August	2.85	not yet available

2. Average price of cheddar cheese, 1st grade, Quebec white, wholesale, Montreal.

	1962	1963
	¢ per lb.	¢ per lb.
June	32.0	34.2
July	32.0	35.2
August	32.2	35.3

QUEEN'S PUBLISHER

Question No. 1,286—**Mr. Fisher:**

Has Mr. Roger Duhamel, the queen's printer, been offered the proposed post of queen's publisher and, if so (a) has he accepted (b) will his salary remain unchanged (c) what are his major responsibilities (d) to whom is he immediately responsible, and (e) on what date did he first act in an acting capacity?

Mr. Drury: The creation of the proposed post of queen's publisher and the related changes in legislation are still under consideration.

(a) Mr. Roger Duhamel continues in his post as queen's printer.

(b) His salary is unchanged.

(c), (d) and (e) As a result of P.C. 1963-1254 of August 21, 1963, and P.C. 1963-1450 of October 3, 1963, his major responsibilities are the sale of publications for both houses of parliament and departments of the government of Canada, and include the procurement of print for these publications. He reports to the Minister of Industry.

RESPONSIBILITIES OF QUEEN'S PUBLISHER

Question No. 1,287—**Mr. Fisher:**

Will it be a responsibility of the proposed branch of queen's publisher to (a) choose the printing jobs which will be submitted to the printing bureau (b) choose the printing jobs which will be submitted to commercial printers for tendering, and (c) supervise completion of the printing jobs in the printing bureau?

Mr. Drury: The creation of the proposed post of queen's publisher and related duties is under consideration. For current duties see answer to question 1,286.

SERVICE TO DEPARTMENTS BY QUEEN'S PUBLISHER

Question No. 1,288—**Mr. Fisher:**

Will the facilities of the queen's publisher serve departments by (a) establishing specifications (b) calling tenders (c) awarding the contract (d) supervising completion of the printing (e) classifying those printers eligible to be invited to tender?

Mr. Drury: The creation of the proposed post of queen's publisher and related duties is under consideration, as indicated in answer to question 1,286.

RESPONSIBILITIES OF DIRECTOR OF PRINTING

Question No. 1,289—**Mr. Fisher:**

On September 30, 1963, what divisions and parts of divisions of the Department of Public Printing and Stationery, and how many employees of each have become the responsibility of the Director of Printing?

Mr. Drury: Order in Council P.C. 1963-1254 dated 21st August, 1963, authorized the transfer to the Department of Defence Production of certain functions formerly part of the Department of Public Printing and Stationery.

Subsequently, the following functions and employees became the responsibility of the acting director and superintendent of printing:

Branches and/or parts thereof	No. of employees (as of Sept. 30/63)
Office of the acting director and superintendent of printing ..	2
Departmental secretary	9
Personnel services	11
Financial services	70
Printing production	787
Outside printing production ..	406
Total	1,285

DIRECTOR OF PRINTING

Question No. 1,290—**Mr. Fisher:**

Has Mr. C. B. Watt, assistant queen's printer, been offered the proposed post of director of printing and, if so, (a) has he accepted (b) will his salary remain unchanged (c) what are his major responsibilities (d) to whom is he immediately responsible, and (e) on what date did he first act in an acting capacity?

Mr. Drury: The post of director and superintendent of printing is provided for under section 14 of the Public Printing and Stationery Act, R.S. 1952, chap. 226.

(a) Mr. C. B. Watt has accepted this post in an acting capacity; (b) his salary is unchanged; (c) his major responsibilities are to manage the printing operations of the government of Canada at the main plant in Hull and all other plants in Ottawa and in various cities across Canada; (d) the deputy minister of defence production; (e) August 23, 1963.

PERSONNEL OFFICE, QUEEN'S PUBLISHER

Question No. 1,292—**Mr. Fisher:**

Will the personnel office of the queen's publisher be established in the printing bureau and if not,

(a) where is it to be located (b) are the offices being prepared (c) when did the preparations begin (d) when will the queen's publisher move there?

Mr. Drury: The creation of the proposed post of queen's publisher and related duties is under consideration, as indicated in answer to question 1,286.

PROCUREMENT OF PRINTED MATERIAL BY QUEEN'S PUBLISHER

Question No. 1,294—**Mr. Fisher:**

Will the responsibility for procuring and buying all print for federal government departments be a responsibility of the queen's publisher, and, if so, what categories of printed material?

Mr. Drury: The creation of the proposed post of queen's publisher and related duties is under consideration, as indicated in answer to question 1,286.

UNEMPLOYMENT STATISTICS

Question No. 1,312—**Mr. Latulippe:**

1. How many persons were unemployed in Canada during the month of August?
2. Of this number, how many were women and, amongst these (a) how many were married (b) how many were there whose husband was working (c) how many were under 20 years of age?
3. How many men were unemployed during the same month and, of these, (a) how many were married and had children (b) how many were under 20 years of age?
4. Of the total unemployed during this month, how many were only temporarily out of work and expected to return to their work or to take a new job before August 31.

Answer: 1. In the week ended August 24, 1963, it is estimated that 270,000 persons were unemployed.

2. Of the total unemployed, 59,000 were women: (a) There were 16,000 married women unemployed; (b) not known; (c) of the 59,000 unemployed women, 26,000 were under 20 years of age.

3. Of the total unemployed, 211,000 were men: (a) There were 101,000 married men unemployed. It is not known how many of these had children; (b) of the 211,000 unemployed men, 47,000 were under 20 years of age.

4. It is not known how many of the unemployed expected to return to their work or to take a new job before August 31. However, of the total unemployed in the week ended August 24, 1963, 18,000 were on temporary lay-off with instructions to return to work within 30 days of date that the lay-off commenced.

INCREASE IN COST OF LIVING

Question No. 1,313—**Mr. Latulippe:**

1. What was the increase in the cost of living index during the last five years?
2. What proportion does this increase represent in relation to the tax increase during these five years?
3. What was the price increase during these five years of (a) paper (b) steel (c) aluminum (d) copper (e) wool (f) sugar?
4. What was the proportional price increase for manufactured products during these five years?

Answer: 1. The annual average consumer price index increased 7.2 per cent from 1957 to 1962.

2. Not known. A corresponding index of tax increase is not available.

3. Percentage changes in the annual average commodity indexes of the general wholesale index during the same five year period were as follows: (a) paper products, +10.1; (b) iron products, +1.4; (c) aluminum products, −1.4; (d) copper products, +7.8; (e) wool, raw, domestic, +8.6; (f) sugar and its products, −25.6.

4. The percentage change in the annual average index of fully and chiefly manufactured goods was +4.7.

EXHIBITION COMMISSION, TRADE AND COMMERCE DEPARTMENT

Question No. 1,332—**Mr. Horner (Acadia):**

1. How many people are employed by the Department of Trade and Commerce under the exhibition commission?
2. Is the main purpose of the exhibition commission to assist in exhibiting Canadian produce in order to promote trade?
3. Did the minister specifically inform the exhibition commission to develop and frame his picture and send copies to every trade and commerce office throughout the world and, if so, how many were developed and framed, and at what cost to the government?

Answer: 1. As of September 30, 1963:

Under certificate of the civil service commission	35
Prevailing rate	75
Locally engaged (London, England)	8
Total	118

2. Yes.
3. No.

QUESTION PASSED AS ORDER FOR RETURN

APPOINTMENTS BY ORDER IN COUNCIL

Question No. 1,141—**Mr. Matheson:**

What public offices were filled or public appointments made by orders in council dated between February 5 and April 22, 1963?

MOTIONS FOR PAPERS

ACCEPTANCE OF FISHERIES COMMISSION RECOMMENDATION RESPECTING HALIBUT

Motion No. 62—**Mr. Barnett:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of the cabinet minute or other official document which authorized the Secretary of State for External Affairs to notify the executive director, the international north Pacific

fisheries commission, by telegram under date of May 10, 1963, that the commission's recommendations for the removal of the halibut stocks in the eastern Bering sea and the herring stocks west of the Queen Charlotte islands from the annex to the convention had been accepted by the government of Canada.

Mr. Martin (Essex East): The government, as my hon. friend knows, approved the three recommendations of the international north Pacific fisheries commission concerning the removal of halibut stock in the eastern Bering sea and herring stock west of the Queen Charlotte islands from the annex of the north Pacific fisheries convention. This decision was communicated to the executive director of the commission on May 10. Action was taken on the authority of this cabinet decision and no other official documents exist.

With regard to the production of the actual cabinet minute, as my hon. friend I am sure well knows, it is a well established rule in Canadian parliamentary practice that the texts of cabinet minutes are not made public.

I regret, therefore, I cannot agree to the motion, and I ask my hon. friend to be good enough to withdraw it.

Mr. Barnett: I would not quarrel with the general principle enunciated by the minister in respect of cabinet minutes, but it does seem to me there are some particular circumstances surrounding the situation which the minister has outlined in connection with this matter. It is apparent from what he has said that there are no other official documents in connection with the action taken by the government.

It seems to me there are some special circumstances attached to this kind of situation. I should like to ask, therefore, following the good example of the present minister in the previous parliament, to have this motion transferred to a place on the order paper where it would become a debatable motion.

Mr. Speaker: Under standing order 47, it is so transferred.

COLUMBIA RIVER TREATY

Motion No. 93—**Mr. Herridge:**

That an order of the house do issue for a copy of all correspondence and telegrams exchanged between the Prime Minister or any member of the government and any private citizen in Canada with respect to the Columbia river treaty since January 1, 1963.

Mr. Pearson: Mr. Speaker, the government is very anxious to give the hon. member all the information possible in respect of this matter. The motion as it is now worded, however, is of such a far ranging character it would be very difficult indeed to meet it. I wonder if the hon. gentleman would allow the motion to stand so that I may have a word with him to see if it can be reworded or some arrangement made to enable him to get all the information he requires.

Mr. Herridge: I am quite willing to agree to the suggestion of the Prime Minister. I am a most co-operative individual.

Motion stands.

ARMED FORCES—TESTS FOR APPLICANTS FOR COMMISSIONS

Motion No. 94—**Mr. Olson:**

On the order:

That an order of the house do issue for a copy of all tests given to persons applying for a commission in the armed forces and more specifically those tests of a general nature that are used to evaluate personality characteristics, and intelligence levels.

Mr. Hellyer: I wonder would the hon. gentleman agree to have this stand until I have a chance to discuss it with him.

Mr. Olson: Yes.

Order stands.

COMPLAINT BY H. W. HICKS AGAINST SUN LIFE ASSURANCE CO.

Motion No. 95—**Mr. Thompson:**

That an order of the house do issue for a copy of all correspondence and telegrams exchanged between the superintendent of insurance and Mr. H. W. Hicks, presently of 32 Queen's road, Horley, Surrey, England, relating to a complaint of the said H. W. Hicks against Sun Life Assurance Company of Canada.

He said: Mr. Speaker, I would ask permission to have this motion withdrawn from the order paper. It was through some error that it appeared today because I did receive the information that was pertinent to this, and had intended that it should be withdrawn before it appeared on today's order paper.

Order discharged and motion withdrawn.

REPRESENTATIONS RESPECTING ARDA, SASKATCHEWAN

Motion No. 96—**Mr. Southam:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, reports, briefs and memoranda, and any subsequent replies thereto between the federal government and any of its departments and the province of Saskatchewan concerning ARDA since April 22, 1963.

Mr. Beer: Mr. Speaker, this motion is quite acceptable subject to the consent of the province of Saskatchewan being obtained to table the correspondence, reports and other documents requested.

Mr. Speaker: The motion is agreed to, subject to the reservation expressed by the minister.

Motion agreed to.

Motions for Papers

CORRESPONDENCE WITH U.S. RESPECTING UNION TRUSTEESHIP

Motion No. 98—**Mr. Martineau:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications and other documents and replies thereto between the government of the United States of America, or any of its departments, and the government of Canada, or any of its departments, concerning the great lakes shipping situation and the proposed trusteeship of Canadian maritime unions since the 6th of July 1963.

Mr. Martin (Essex East): Mr. Speaker, may I say with regard to this motion that to table all the confidential papers requested by the hon. gentleman would be both a departure from normal diplomatic usage and not in the public interest. As developments in this situation occur I am sure my colleague the Minister of Labour will continue to keep the house fully informed as he has done in the past.

Mr. Speaker: I think it is important to put the motion first. Mr. Martineau, seconded by Mr. Winkler proposes:

That a humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all telegrams, correspondence, communications and other documents and replies thereto between the government of the United States of America, or any of its departments, and the government of Canada, or any of its departments, concerning the great lakes shipping situation and the proposed trusteeship of Canadian maritime unions since the 6th of July 1963.

Mr. Martineau: Mr. Speaker, in reply to the remarks made by the Secretary of State for External Affairs I would like to point out that the subject matter of this motion is not of a classified nature; and second, that naturally I would accept reservations such as if permission were to be obtained from the United States government for the production of such documents.

Mr. Speaker: Is the motion accepted subject to those reservations?

Mr. Martin (Essex East): No, Mr. Speaker. I have indicated that this would be contrary to practice and it is not regarded as in the public interest by both governments concerned.

Mr. Nesbitt: Why did you publish it then?

Mr. Martineau: I stand by my motion.

Mr. Speaker: Under the rules I must put the motion unless hon. members desire debate, in which case it is transferred.

Mr. Martin (Essex East): I desire to move that it be transferred.

Mr. Speaker: It is so transferred.

[Mr. Speaker.]

LISTS OF CONSULTANTS FOR CABINET MINISTERS

Motion No. 99—**Mr. Orlikow:**

That an order of the house do issue for a list of consultants prepared in the office of the Postmaster General for the guidance of cabinet ministers and copies of all correspondence between ministers of the crown and the consultants in each riding.

Mr. Pickersgill: Mr. Speaker, I wonder could I raise a question of privilege with respect to this motion. I think Your Honour on reading it will see that the language of the motion is so obscure that it would not be possible for anyone reading the motion by itself—which is all that is before the house—to discern what the hon. gentleman was driving at. I have consulted the Postmaster General, who tells me that in his office no document of any description was prepared for the guidance of his colleagues, and therefore there could be no such document even if the motion were put.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I suggest in addition that if Your Honour would look at page 258 of May's fourteenth edition it would be apparent that the only kind of documents for which motions can properly appear on the order paper are papers and correspondence of a public and official character sought from government departments.

Some hon. Members: Oh, oh.

Mr. Pickersgill: Whatever this purported document—this document that does not exist—might be, it obviously is not a document of a public or official character.

Mr. Diefenbaker: Mr. Speaker, I am sure we would like to hear from the Postmaster General himself that he has not prepared such a list. He does not usually sit so quietly and taciturnly, and we would like to hear from him. The fact that it is a list makes it public, if it actually exists.

Mr. Speaker: Is there any other hon. member who would like to speak to this motion?

Mr. Denis: Mr. Speaker, the Secretary of State should know whether he has received such a list for his guidance, but I never sent out any list for the guidance of the Secretary of State or any other minister. It does not exist. Therefore I do not think we should answer in regard to something that does not exist.

Mr. Orlikow: Mr. Speaker, I am surprised that we have—

Mr. Denis: Like anybody else, Mr. Speaker, I can have in my own office a list of my relatives, friends—

Some hon. Members: Oh, oh.

Mr. Denis: Mr. Speaker, I challenge any member in this house to say that he has not a list in his own office for Christmas cards and other purposes.

Some hon. Members: Oh, oh.

Mr. Denis: I challenge any member of parliament who does not know about the defeated candidates—

An hon. Member: Here it is.

Mr. Denis: —and the Conservatives must have a long list of them.

Mr. Mandziuk: What about your list in 1958?

Mr. Douglas: Mr. Speaker, could I ask the minister whether it is possible to get on the list if one is not a relative?

Mr. Speaker: Order. Are there any other hon. members who wish to help the Chair in this respect?

Mr. Orlikow: Mr. Speaker, the other day when I put a similar motion the Secretary of State said he had no such list. I immediately took his word and withdrew my motion. But it has taken so long for the two ministers to say, or try to say, that there is no such list that I think we ought to discuss this matter further. I would therefore like to have this motion transferred for debate. I wish it were true that the house and the country could feel that this government had discontinued the practice of patronage that existed in the past.

Mr. Winkler: But that is not so.

Mr. Speaker: Order. The Secretary of State has raised a question of privilege which in my opinion is not a question of privilege. In anticipation of some advice from the house I took the trouble to prepare a few notes, and I think it might be useful if I put them on the record, with regard to the production of papers.

The general principle concerning the character of papers which may be asked for is set out in May's sixteenth edition, page 270, where it is stated:

> Parliament is invested with the power of ordering all documents to be laid before it, which are necessary for its information.

Bourinot's fourth edition, at page 246, states in part as follows:

> On the other hand, it is the constitutional right of either house to ask for such information as it can directly obtain by its own order from any department or officer of the government.

Obviously it is impossible for the Chair to scan every notice of motion for papers in an effort to determine whether or not such papers actually exist or whether the papers are in the nature of confidential documents. Indeed there is no rule which states that confidential documents may not be asked for, and in some instances what are ordinarily considered to be confidential documents are tabled. At page 273 of May's sixteenth edition it is stated:

> However ample the power of each house to enforce the production of papers may be a sufficient cause must be shown for the exercise of that power; and if considerations of public policy can be urged against a motion for papers, it is either withdrawn, or otherwise dealt with according to the judgment of the house.

Therefore it seems that the duty of the Chair in regard to motions for papers is to decide whether or not a motion is in order from a procedural point of view, and I am of the opinion that this motion is in order from this point of view. In this regard I would like to quote from a statement by Mr. Speaker Beaudoin which is found at page 3014 of *Hansard*, April 3, 1957. It reads as follows:

> The motion that has been placed on the order paper is in order, and that is why I have put it to the house. It is opposed and when it is opposed, according to standing order 47 it must be transferred for debate if desired. This has not been asked for, but it has been asked that the minister should say briefly why he is opposed to the motion. At this moment, therefore, the only duty I have is to put the question to the house and let the house pass judgment on it.

In the same regard, at page 1036 of *Hansard*, July 11, 1958, Mr. Speaker Michener is reported as having used the following words:

> Order. This motion is not debatable. It is a motion for an order of the house to issue in respect of certain papers. It is not debatable, and the only course is to accept or reject the motion. I am advised by the Clerk that that is the method of disposing of such a motion as this. I ask, then, whether it is the pleasure of the house to adopt the same motion.

As will be seen in *Hansard* of February 15, 1960, page 1055, Mr. Speaker Michener held the view that his responsibility was to see that the motion was before the house in the proper form, but that the house had to decide by its vote whether or not the document was to be produced, and that it would be improper for the Speaker to substitute his decision for that of the house.

On February 27, 1961, as will be found at page 2442 of *Hansard*, Mr. Speaker Michener also stated that it was for the house to determine whether such a motion for the production of papers should be withdrawn or whether it should be passed.

Basing my action on those precedents, and on standing order 47, I propose to put the motion and allow the house to make a decision in regard to the production of the papers unless such a motion is either withdrawn, allowed to stand or transferred for debate.

Mr. Pickersgill: Mr. Speaker, in view of what you have said the government is quite prepared to accept the motion and allow it to pass.

Mr. Speaker: The hon. member has asked that the motion be transferred for debate. He has the right to do that. This is in conflict with the suggestion of the Secretary of State, and I would ask the hon. member to state his desire.

Mr. Orlikow: Mr. Speaker, I would be quite happy if the motion were allowed to pass.

Motion agreed to.

SECOND TRANS-CANADA HIGHWAY

Motion No. 100—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams or other documents exchanged between the government and any agency or branch thereof and any other government, organization or person since January 1, 1962, dealing with the proposal that another or second trans-Canada highway be built.

Mr. Deschatelets: Mr. Speaker, this motion can be accepted subject to the usual reservations with regard to personal and confidential documents, and the prior consent of the provincial governments concerned.

Mr. Speaker: The motion is accepted, subject to the reservations as expressed by the minister.

Motion agreed to.

PRINCE RUPERT, B.C., GRAIN ELEVATOR

Motion No. 101—**Mr. Howard:**

That an order of the house do issue for a copy of all reports received by the government or any agency or branch thereof dealing with the grain elevator at Prince Rupert, B.C., since January 1, 1959.

Mr. Pickersgill: Mr. Speaker, I wonder whether this motion could stand in the absence of the minister, and also No. 102?

Mr. Speaker: Does the hon. member agree? Stand.

Motion stands.

TOBACCO ADVERTISING ON RADIO AND TELEVISION

Motion No. 103—**Mr. Knowles:**

That an order of the house do issue for a copy of all correspondence exchanged between the Winnipeg school division No. 1 and the Minister of National Health and Welfare, dated since April 22, 1963, concerning the subject of tobacco advertising on radio and television.

Motion agreed to.

[Mr. Speaker.]

EXTERNAL AFFAIRS

CONVERSATIONS OR COMMUNICATIONS WITH U.S. PRESIDENT

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether, in view of the various difficulties which have arisen between the United States and Canada, he has given any consideration to inviting President Kennedy to Ottawa?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker.

Mr. Diefenbaker: Then, Mr. Speaker, may I ask whether there have been any further attempts at conversations with the President since Sunday with regard to the difficulties about which the Prime Minister spoke at that time; and have there been any letters or communications received from the President showing the attitude or setting out the view of the United States toward the matters in respect of which the Prime Minister offered objection?

Mr. Pearson: Mr. Speaker, there have been consultations between members of the two governments, but no further consultations between myself and the President in this matter since last Saturday morning.

Mr. Diefenbaker: Have any communications been received from the President or anyone on his behalf setting out his side of the picture?

Mr. Pearson: No, Mr. Speaker.

CUBA—REACTION TO CANADIAN OFFER OF AID

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs?

In view of the telegram that the Cuban Red Cross recently sent to the American Red Cross, calling it hypocritical in its offer of aid following hurricane Flora, can the minister tell us what kind of reception the Canadian offer got in Cuba?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I did not understand the question very well, but I shall try to answer tomorrow or Monday next.

[*Later:*]

Mr. Martin (Essex East): Mr. Speaker, may I revert to the question put to me by the hon. member for Compton-Frontenac (Mr. Latulippe)?

In reply to his question, I may say that there was no reaction at all from the Cuban government.

[*Text*]

PRIVILEGE

MR. BELANGER—REFERENCE TO REMARK IN DEBATE

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I wish to raise a question of privilege about a statement made yesterday by the hon. member for Mercier (Mr. Boulanger) who is also chairman of the committee on railways, canals and telegraph lines.

After mentioning my name, in the course of his remarks, as reported on page 3578 of *Hansard* for October 15, 1963, the hon. member said:

> Even with a continuous interpretation service, they did not deem it advisable to attend the committee for more than ten or fifteen minutes.

Mr. Speaker, I wish to point out to the hon. member for Mercier that I arrived at the committee meeting at ten o'clock and left at 11.30 to attend a meeting of another committee. In my opinion, I was there more than 15 minutes.

The second part of my point of privilege concerns the following remarks made by the hon. member for Mercier:

> I therefore raise a point of privilege in connection with this lack of responsibility—

Mr. Speaker, I feel that the most responsible is certainly not the hon. member for Mercier who does not seem to know that there are 90 minutes in an hour and a half and not only 15 minutes.

Mr. Gregoire: He should resign as chairman of that committee.

[*Text*]

Mr. Speaker: I do not like to lecture the house, but I doubt very much whether that is a question of privilege.

Mr. Gregoire: He should resign as chairman of the committee.

Mr. Speaker: It is more in the nature of a complaint.

LABOUR RELATIONS

NORRIS COMMISSION—REPORT OF SPECIAL COUNSEL

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to ask a question of the Minister of Justice. Has he received the report from the special counsel who were appointed by the government to investigate the possibility of legal charges arising out of the Norris report and, if so, has the government arrived at a decision in this regard?

Hon. Lionel Chevrier (Minister of Justice): Yes, Mr. Speaker. As I have already indicated, I have received a preliminary report which we are still studying, and the result will emerge in due course.

WHITE PASS AND YUKON RAILROAD—EFFORTS TO SETTLE STRIKE

On the orders of the day:

Mr. Erik Nielsen (Yukon): I have a question for the Minister of Labour. In view of the fact that labour difficulties continue to shut down the operations of the White Pass and Yukon route in the Yukon and the operation of their motor vessel, the *Rogers,* and the growing economic difficulties this is causing, can he state whether he is taking any action to have his officials assist in negotiating a settlement of these labour problems?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I have nothing to add to the report I made to my hon. friend some days ago on this matter.

[*Later:*]

Mr. Nielsen: I have a question related to the one I asked the Minister of Labour a moment ago and which I shall direct to the minister of northern affairs. In view of the fact that the railroad is not running into the Yukon territory, can he say whether the offer of Governor Egan or his officials to keep the Haines road open this winter will be accepted by the government?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): As my hon. friend knows, all these matters are under discussion.

BUSINESS OF THE HOUSE

REQUEST FOR APPOINTMENT OF COMMITTEE ON PROCEDURE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I should like to ask the Prime Minister whether he will consider introducing fairly soon the motion on the order paper dealing with the setting up of a parliamentary committee to review the procedures of this house in order to bring about a more businesslike transaction of public affairs. I know the Secretary of State has already indicated that the government would be prepared to do so if he could get some guarantee that there would be no debate. My question to the Prime Minister is, would he be prepared to consult either through the house leader or with the leaders of the various

parties to see whether we cannot get agreement, if not to having no debate then to having some limited period of debate, so the committee could be set up and we could bring about a more efficient dispatch of the affairs of this House of Commons?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I agree entirely with the hon. gentleman that the setting up of this committee for the purpose which he has mentioned is highly desirable. I hope that as a result of the kind of consultation he has suggested difficulties in the way of setting the committee up with a minimum of debate can be overcome and the committee set up this week.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): So that there is no misunderstanding as far as the opposition are concerned, we would welcome any action in this regard; however, not without debate. We want to place before the house our views so as to be helpful to the committee. There is just one matter I might mention, in connection with voting procedure. I think consideration might well be given to a practice which would save a great deal of time.

Some hon. Members: Order.

Mr. Diefenbaker: If we were able to follow the system in the United Kingdom of going into—

Some hon. Members: Order.

Mr. Diefenbaker: I am trying to expedite the business. I said that we could arrive at a point where we would save a great deal of time voting by going into our respective lobbies. That is one suggestion which would save time, time which today is unnecessarily wasted. Anything which can be done in that connection would certainly receive our support now.

Mr. Pearson: The right hon. gentleman apparently agrees to the setting up of this committee. I would hope that it could be set up at once, that debate could take place in the committee, and then the committee could report back to the house and the house could debate the report of the committee.

TRANS-CANADA AIR LINES

INQUIRY AS TO PURCHASE OF CARAVELLE PLANES

On the orders of the day:

Mr. Guy Rouleau (Dollard): Mr. Speaker, I should like to direct a question to the Minister of Transport. Is the minister in a position to make a statement on the acquisition by Trans-Canada Air Lines of a new aircraft type in light of the reported statement by the Quebec minister of national resources regarding the Caravelle?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I have received no report or recommendation from Trans-Canada Air Lines on this subject, and until such report or recommendation is received the matter cannot be considered by government.

PUBLIC SERVICE

INQUIRY AS TO SURVEY RESPECTING BILINGUALISM

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to direct a question to the Secretary of State.

Following the promise he made in the house in the last days of July that a survey would be made on biculturalism in all departments of the federal government, can the Secretary of State indicate the progress of that survey and tell us whether he has a preliminary report to give us in relation to that survey?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I have been advised by the civil service commission that the document to which the hon. gentleman referred on August 1, I think it was, a document which would be submitted both to the royal commission and to this house, is in course of preparation at the present time. I have also indicated to the civil service commission that any preliminary information which could be made available to the house would be most welcome, and I am very hopeful that they will be able to give us some information before very long.

[*Translation*]

Mr. Gregoire: A supplementary question, Mr. Speaker. Can the Secretary of State tell the house whether information requests have been sent to all members of the federal civil service, and whether the replies to those information requests are now in the hands of the civil service commission?

[*Text*]

Mr. Pickersgill: That is a question I would have to put to the chairman of the commission. I shall be glad to do so and give an answer as soon as possible.

ESTABLISHMENT OF OFFICE OF QUEEN'S PUBLISHER

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to direct a question

related to a speech made yesterday by the man who may be associate minister of agriculture, on the matter of the queen's printer and the queen's publisher. Can the Minister of Industry explain the fact that the speech as reported indicated that there now is the office of queen's publisher, yet today I received answers to a number of questions which suggest that the office has not yet been created?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the answer to the question is correct. I have not seen the report to which the hon. member makes reference, but if in fact it was reported that there was an office of queen's publisher that report is incorrect.

RESOURCES

PROPOSED POOLING BY U.S. AND CANADA—PRICE FOR COLUMBIA RIVER POWER

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I wish to direct a question to the Secretary of State for External Affairs, and ask him whether his attention has been drawn to the statement made yesterday by the secretary of the interior of the United States to the effect, as I understand it, that consideration is being given to the creation of a gigantic pool of resources. Has there been any discussion between the governments of Canada and the United States in this regard? Furthermore, what progress has been made in relation to the United States market price for Canadian electric power to be generated as a result of the prospective Columbia river development, to which Mr. Udall also made reference?

Hon. Paul Martin (Secretary of State for External Affairs): The Leader of the Opposition may recall that in the communique following the meeting between the President of the United States and the Prime Minister of Canada reference was made to the desirability of studying co-operation in the rational use of the resources of this continent. Also, a short time ago when my colleague the Minister of Trade and Commerce was in Washington, progress was made in discussions between the two governments concerning the undertaking of joint studies to determine to what extent an exchange of energy resources would be beneficial. At the recent ministerial meeting in Washington between Canadian and United States ministers this subject was discussed in a general way.

With regard to what the U.S. secretary of the interior had to say about the Columbia river development, I can only comment that if what he said was correctly reported, then he fully expects that a satisfactory price will be paid for the purchase of the downstream benefits. This will indeed be welcome news. One of the essential conditions of the Canadian position, supported, of course, by the owners of the resource, British Columbia, is that the price paid for these benefits must be commensurate with the value of the transaction and the interests of Canada.

Mr. Diefenbaker: I thank the hon. gentleman for his answer, and I would ask him if he was referring to the communique issued after the meeting on May 11 between the President and the Prime Minister, which was supposed to herald the arrival of a new heaven and a new earth in Canadian-American relations?

Mr. Martin (Essex East): I was referring to that communique, which is one that marked a most constructive and important exchange between the heads of two countries which are dedicated to the mutual interests of their peoples and the cause of peace in the world.

TRANSPORT

PROPOSED TUNNEL BETWEEN QUEBEC CITY AND LEVIS

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, my question is intended for the Minister of Public Works.

Has he received some representations concerning the construction of a tunnel between Quebec city and Levis? If so, what action has the department taken in connection with this request?

[*Text*]

Mr. Speaker: This, surely, is a question for the order paper.

TRADE

LEAKAGE BY U.S. OF CONFIDENTIAL INFORMATION

On the orders of the day:

Hon. Alvin Hamilton (Qu'Appelle): Mr. Speaker, I should like to return to a subject which I have raised several times previously in the house. In the absence of the Minister of Trade and Commerce, I should like to direct my question to the Prime Minister.

In view of the continued leakage of confidential information from the Canadian wheat board to the United States public by officials of the United States government, would the Prime Minister consider asking the Minister of Trade and Commerce to accept the suggestion I made last week that a telephone call, or some form of protest, be made to the hon. gentleman's counterpart in the United States

so as to prevent if possible this continued harmful leakage of confidential information —information which was only supplied after a solemn agreement between the two countries that it would not be disclosed?

Right Hon. L. B. Pearson (Prime Minister): I will be glad to take this matter up with the Minister of Trade and Commerce, though I am confident that he has already been in touch with his counterpart in Washington on this matter.

AGRICULTURE

ABSENCE OF MINISTERS DURING DEBATE AND VOTES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): I wish to address a question to the Prime Minister. I apologize for not having given him notice, but the matter cropped up just before I came into the house. My question is based on the interest and concern shown by some well known people in Canada with regard to agricultural policy.

I ask the Prime Minister whether, in the spirit of fair play, he can inform the house as to the nature of the business which the Minister of Agriculture and his alter ego, the expectant Minister without Portfolio, considered so much more important than the debate and the votes on agricultural policy that they found it necessary to be absent for such a considerable time during the debate yesterday.

Right Hon. L. B. Pearson (Prime Minister): The Minister of Agriculture and his associate, having taken part in this debate on agriculture, left the house to attend engagements previously undertaken for the Minister of Agriculture with farmers of Canada in the west. They got in touch with the grass roots while the hon. member remained in the house.

Mr. W. H. Jorgenson (Provencher): I should like to direct a supplementary question to the Prime Minister. Can he explain why, for a period of approximately one and a half hours yesterday afternoon in the course of that debate, there was not one single minister in this house?

Mr. Pearson: That statement is incorrect. Therefore I do not have to explain it.

[*Later:*]

Mr. L. E. Cardiff (Huron): I should like to make this statement: yesterday, from five minutes to five until twenty minutes after five there were no ministers in this house. I should like somebody to get up and deny that.

Hon. J. W. Pickersgill (Secretary of State): I shall do so immediately. I was in the house myself.

[Mr. Hamilton.]

Some hon. Members: No.

Mr. Pickersgill: I looked at the clock as I went out. It was two minutes to five, and at that time the Minister of Justice, the Minister of Public Works and the Postmaster General were all in the house.

Mr. MacInnis: On a point of order, Mr. Speaker—

Mr. Speaker: Order. I am quite able to hear when an hon. member speaks to a point of order, but there is such a thing as allowing a minister to complete his statement. I am sure that 30 seconds more and a little courtesy would be very much appreciated. The question period is turning into a debate, particularly on this issue, and it seems to me that the word of a minister should be accepted, especially in these circumstances.

Some hon. Members: Oh, oh.

Mr. MacInnis: On the point of order—

An hon. Member: Louder.

Another hon. Member: They are trying to howl you down. That is the way they do it.

Another hon. Member: How about courtesy now?

Mr. Knowles: Order.

Mr. MacInnis: Mr. Speaker, on the point of order, I am not aware of anything in the rules of the house that distinguishes a backbencher from a cabinet minister, and if the house is going to maintain the order you wish I say, as I said before, that no speaker, minister or not, is entitled to rise in his place and have the advantage of saying something in the house without first receiving recognition from you. Box scores are becoming very popular these days, and I am keeping one on the Secretary of State. It would surprise you very much, Mr. Speaker, to find how often he is getting away with rising to speak without recognition.

[*Later:*]

[*Translation*]

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to put a question to the Secretary of State.

Could the minister tell us whether himself or one of his colleagues were in the house when I said yesterday in French and in English, as reported on page 3596 of *Hansard*:

> There is not one minister in the house; not one.

I said that yesterday in French and in English in the course of my speech.

[*Text*]

Mr. Pickersgill: I apologize to the hon. gentleman, but I was not paying attention to his speech.

Mr. Vincent: I rise on a question of privilege, sir. When I spoke yesterday I said at that time there was not a minister in the house. What I said was true. The Secretary of State has no right to say I was wrong when I said yesterday no ministers were in the house when I was speaking.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, the statement made by the last speaker is entirely inaccurate. I was in the house at my place during a large part of the time the hon. member was delivering his speech.

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): On this same matter, Mr. Speaker—

[*Text*]

Mr. Speaker: Order, please.

[*Translation*]

Mr. Pigeon: The hon. member for Argenteuil-Deux-Montagnes (Mr. Drouin) confirmed this fact in the official report.

[*Text*]

Mr. Speaker: Order. I am sure all hon. members will agree we have discussed this question sufficiently. The hon. member for Elgin.

Mr. J. A. McBain (Elgin): I had a question for the Minister of Agriculture which I was going to direct to the Prime Minister. However, because of the lateness of the hour and the short sitting day, and in view of the fact the minister will be back tomorrow, I will hold my question until then.

LABOUR CONDITIONS

QUEBEC—REQUEST FOR EXTENSION OF WINTER WORKS PERIOD

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, my question is intended for the Minister of Labour.

I have received many letters and resolutions from municipalities protesting against the decision of the government to shorten the period for winter works and as the north-western area of Quebec has a very cold climate in addition to being recognized as a depressed area, would the minister reconsider the possibility of setting the winter works period as before, namely from October 15 to May 30, 1964?

[*Text*]

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

[*Later:*]

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on a point of order with respect to the question of the hon. member for Chapleau (Mr. Laprise) which you had put on the order paper. He was asking that the winter works period start on October 15. But yesterday was October 15. Therefore, I feel that this question is urgent and that the Minister of Public Works (Mr. Deschatelets) should have the opportunity to state his position on that issue.

[*Text*]

Mr. Speaker: May I point out to the hon. member that it is, I hope, a well established custom, within reason, that when the Speaker decides that in his view a question should go on the order paper, that ends the matter. In particular reply to the point the hon. member has raised, may I say that the same question has been asked once or twice before, I think, and the Minister of Public Works is certainly aware of the urgency of the matter. I am sure that allowing the hon. member to state his question at length, as he did, will impress it even more on the Minister of Public Works.

DAUPHIN, MAN.—BENEFITS FROM INCLUSION AS DESIGNATED AREA

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to direct a question to the Minister of Labour in relation to the recently announced designated areas, and with particular reference to Dauphin, the sole area in Manitoba which has been classed as a designated area. Can the minister say whether any benefits which may accrue under this legislation will apply to the municipal district of Dauphin or to the district which normally comes within the administration of the Dauphin branch of the unemployment insurance commission?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I will be glad to answer that question in detail if it is placed on the order paper.

Mr. Simpson: A supplementary question on the same subject to the Minister of Industry. On October 3 in answer to a question of mine in relation to designated areas the minister stated that the department would consider holding consultations with the Indian affairs branch in relation to setting up certain Indian reserves as designated areas. Can the minister say whether any such consultations have taken place yet?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the consultations are not complete.

Inquiries of the Ministry

HEALTH AND WELFARE

INQUIRY AS TO COMMITTEE ON USE OF TOBACCO

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare. When does the minister intend to set up the committee to look into the harmful effects of tobacco as claimed by the hon. lady?

[*Text*]

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): As has happened more than once in the past, the hon. member is mistaken in his facts. There was never any suggestion that a committee of this house should study smoking. There is, however, to be a national conference on this subject, the date of which has been announced. Representatives of all bodies likely to be interested have been invited. A number of briefs have already been received from those invited and they are being circulated now. I think the date is November 25-27 inclusive.

FAMILY ALLOWANCES—REQUEST FOR INCREASED PAYMENTS

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare.

In view of the pressing needs of a great number of Canadian families and in view of the fact that the party in office always goes ahead in the matter of social legislation, I should like the Minister of National Health and Welfare to tell the house whether she intends to amend the family allowances system in order to bring in supplementary benefits, to be paid to the beneficiaries of those allowances.

Mr. Gregoire: That is what we have been asking for all along.

[*Text*]

Mr. Speaker: This is a question for the order paper.

UNITED NATIONS

SUPPORT FOR BAN ON NUCLEAR WEAPONS IN SPACE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Secretary of State for External Affairs which I at least think is of some importance to Canada as well as to the whole world. Has the minister any comment to make in respect of the announcement that the Soviet union and the United States government have agreed to support a United Nations resolution to ban nuclear weapons from space?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think we will all agree that this is an important matter and the hon. gentleman need not apologize for putting the question. The proposal now embodied in a resolution presented by the United States, and which according to reports, Mr. Gromyko says will be supported by the Soviet union, provides for the banning of nuclear weapons in outer space. This is a proposal that will be welcomed by Canada and will be welcomed, I am sure, by all countries at the United Nations. It is a proposal that was put forward earlier in the 18 power disarmament conference at Geneva. I hope we may conclude from this further agreement that we have an additional indication of the extent of the detente between east and west at the present time.

INQUIRY FOR RETURN

EDMONTON MUNICIPAL AIRPORT

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to address a question to the Secretary of State. In view of the fact that the municipal elections in Edmonton are over, perhaps it would now be possible to comply with the order of the house, No. 55, for the production of papers which was passed on July 24.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I will be very glad to make an inquiry and let the hon. gentleman know at the first opportunity.

Mr. Speaker: The hon. member for Megantic.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, would the Secretary of State be prepared to table in the house a list of the various questions—

Some hon. Members: Order.

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

Mr. Diefenbaker: —that have been—

Some hon. Members: Order.

Mr. Speaker: Order.

Mr. Knowles: Mr. Speaker, a number of times the hon. member for Cape Breton South has raised the question of people speaking only when they are recognized. You, sir, recognized the hon. member for Megantic. Why is he not allowed to speak? Why does

the Leader of the Opposition get in after an hon. member has been recognized?

An hon. Member: Where is the box score?

Mr. Diefenbaker: Mr. Speaker, I thought you recognized me. You looked in my general direction.

Some hon. Members: No.

Mr. Diefenbaker: Mr. Speaker, these people in the government do not want me to speak any more.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I bow immediately to the point of order. I thought you recognized me. I am very sorry that I stood up, but I was continuing along the line of the question that had been asked.

Mr. Speaker: I think we have had enough points of order for the next few minutes. The hon. member for Megantic.

Mr. Valade: Mr. Speaker, I rise on a point of order. I believe I am entitled to raise a point of order as much as the hon. member for Winnipeg North Centre. Many times in the house, out of sheer courtesy, members of the official opposition have given up their place to the leader of the New Democratic party and I think the Social Credit party should do the same thing in the case of the leader of the official opposition.

Mr. Langlois: Mr. Speaker, if the hon. member for St. Mary wants that courtesy I think he should at least ask for it.

[*Later:*]

Mr. Diefenbaker: When I was interrupted on a point of order I was asking the Secretary of State if he would give consideration to tabling a list of questions which had been made orders for returns and which had not yet been brought down.

Mr. Pickersgill: I shall be glad not only to table a list of those questions that have been made orders for returns which have not been complied with as yet, but the orders of the house as well, so there will be a complete picture of those things that have not yet been done.

INDUSTRY

THETFORD MINES—REQUEST FOR ESTABLISHMENT OF ASBESTOS PROCESSING PLANTS

On the orders of the day:

Mr. Raymond Langlois (Megantic): I should like to direct my question to the Minister of Industry. On Monday the Minister of Labour gave a report concerning regions in which unemployment was most felt. In view of the fact that Thetford Mines is one of these regions, and in view of the fact this region has the world's largest asbestos deposit, will the minister consider the possibility of establishing asbestos industries in this region so that we can turn the raw material into finished products at home and, in so doing, decrease unemployment in that area?

Mr. Speaker: Will the hon. member put that question on the order paper?

REPORTED INTENTION TO ABOLISH CANADIAN COMMERCIAL CORPORATION

On the orders of the day:

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, may I ask the Minister of Industry a question?

Could the minister inform the house whether he intends to eliminate the Canadian Commercial Corporation, a crown corporation, by making it part and parcel of the Department of Industry?

Hon. C. M. Drury (Minister of Industry): The answer is no, Mr. Speaker.

[*Text*]

NOVA SCOTIA—ESTABLISHMENT OF HEAVY WATER PLANT

On the orders of the day:

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the Prime Minister. On September 30 I posed a question to him concerning the location of a heavy water plant in Nova Scotia. He very kindly replied that urgent consideration was being given to this very important question and a decision would be announced shortly. I wonder if the right hon. gentleman is now in a position to enlighten us further on this rather urgent matter?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I am sorry I am not in a position to announce a decision at the moment. I hope to be able to do so very shortly.

POST OFFICE DEPARTMENT

REQUEST FOR REFERENCE OF ESTIMATES TO COMMITTEE

On the orders of the day:

Mr. Frank Howard (Skeena): In view of the interesting revelations earlier by the Secretary of State and the Postmaster General, I wonder if I could ask the Postmaster General if he would agree to referring the estimates of his department to the appropriate standing committee?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I suggest that such a question

should not go to a special committee on estimates. If the hon. member will be good enough to remind me when my estimates are under consideration, I shall be glad to answer every question he may ask.

Mr. Howard: I wonder if the minister would mind if I reminded him every day of this request to refer the estimates of his department to a committee, so that we could get at the facts?

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, may I ask a supplementary question?

Can the Postmaster General assure the house that there are only members of the house on that special list of people?

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I would even add that the name of the hon. member for Lapointe appears on the list.

Mr. Gregoire: I am pleased to hear that my name appears on the list, but, at the same time, I should like to be consulted sometimes.

[*Text*]

BUSINESS OF THE HOUSE

RELINQUISHING PRIVATE MEMBERS' HOUR

On the orders of the day:

Hon. J. W. Pickersgill (Secretary of State): Before the orders of the day are called, Mr. Speaker, may I say that I had consultations yesterday with representatives of hon. gentlemen opposite and there seemed to be a disposition at that time, in view of the important debate now coming up and the desire to let as many members as possible participate today, to forgo the private members' time today. If that was the sense of the discussion, perhaps it could be settled now so that we would know how to proceed.

Mr. Churchill: We agree.

Mr. Douglas: This group is agreeable.

[*Translation*]

Mr. Gregoire: We agree, Mr. Speaker.

[*Text*]

Mr. Speaker: I take it that rarely have we had such unanimity.

INCOME TAX ACT

Hon. Walter L. Gordon (Minister of Finance) moved the second reading of Bill C-95, to amend the Income Tax Act.

He said: Mr. Speaker, like other acts to amend the Income Tax Act, this bill is rather long and complex. It is based upon the very detailed resolution that was approved by the house on July 23.

[Mr. Denis.]

It does not contain anything new, other than a very few refinements of a technical nature, which I shall point out when we come to the discussion of the bill clause by clause; and it does not include anything of a contentious nature that was not debated fully in July. The proposed amendments follow the order of the original act, but taken as a whole, with one or two exceptions, they fall into three main categories.

First there are amendments to close loopholes in the act. Second, there are amendments to provide incentives to industries which are intended to raise the level of production and employment in certain areas of slower growth. Third, there are changes in non-resident withholding taxes designed to reduce the cost of borrowing abroad, and to provide incentives to the foreign owners of Canadian subsidiaries to take in Canadian partners in the years to come.

The exceptions that do not fall into any of these three categories include a proposal which will require corporations to pay their taxes over a period that is more comparable to the payment time table for individuals than at present, and a clause to deal with taxations of estates in bankruptcy. I shall go into these items fully when we come to the respective clauses in the bill.

First I should like to say something about the proposals contained in the first of the three categories mentioned, that is, those that are designed to close tax loopholes. The public, including the business public, tends to lose respect for any tax administration when advantage can be taken freely of obvious loopholes in the law. When the royal commission on taxation submits its report it may be desirable to make extensive changes in the taxing statutes. In the meantime it seems desirable to stop some clear opportunities for tax avoidance, and I should like to mention four examples of what it is intended to do about them.

First it is proposed to discourage the widespread practice of gaining a tax advantage through the operation of lease-option arrangements. Under the present law, taxpayers who have entered into lease-option agreements are allowed to deduct from their taxable income capital cost allowances which sometimes greatly exceed both the amount of the annual rentals and the actual cost of the properties concerned. The joint tax committee of the Canadian Bar Association and the Canadian Institute of Chartered Accountants has advocated for some time that action should be taken to prevent this.

The second example that I would like to mention is the one that at present provides an opportunity, under the act, for companies which incur losses in one year to carry them

forward and apply them against profits earned during subsequent years.

As a result of this, a practice has developed of trafficking in the shares of companies whose businesses have been discontinued, but which technically have certain tax loss carry forward entitlements. For example, a man with a profitable business may purchase the shares of one of these companies and transfer his prosperous business to it, and having done so he can apply the losses incurred previously, and often in a quite different class of business, against the taxable income of his own business. I suggest that surely this was never the intention of parliament when the original proposal was incorporated in the act, and that this practice should be stopped.

The third and rather glaring example of a tax loophole—and one that has been much talked about—is known as dividend stripping. In the normal course when a company pays a dividend to its shareholders who are individuals, the dividend is taxable in the hands of the recipients. However, in the case of closely held companies it is possible for the shareholders, through a series of transactions often involving the incorporation of one or more new companies, to withdraw the surplus of the original company without payment of any tax. This also is a widespread practice which should be stopped.

A fourth example of ways in which taxes can be avoided or reduced arises because of the lower rate applicable to the first $35,000 of taxable corporate income. A practice has developed of dividing a business enterprise between a number of associated companies, each one of which individually obtains the benefit of the lower rate of taxation.

Mr. Speaker, I do not criticize those who have taken advantage of these loopholes in the past, nor those officials who are responsible for administering the law in its present form. However, I do suggest that when loopholes of this kind are brought to our attention it is the responsibility of parliament to deal with them, and in doing so I do not suggest that any of the necessary amendments should be made retroactive in their effect.

In two cases, that is, in connection with dividend stripping and with associated companies it is proposed that the minister be given some discretion, subject however to the right of appeal either to the tax appeal board or the Exchequer Court. No one likes giving ministers discretion in these matters, and least of all, if I may say so, the minister who is responsible for administering the act; but we have not been able to find any alternative solution pending completion of the studies being undertaken by the royal commission on taxation.

Following receipt of the report of that commission I would hope that the limited ministerial discretion now recommended could be dispensed with, and I may say that in conversation with the chairman of the royal commission I have said that, if it is possible for him to let us have a report on this particular subject, ahead of his main report, it would be very useful to the administration.

The second category of amendments to which I referred earlier provides incentives for increased production and increased employment in certain designated areas which, for one reason or another, have not enjoyed as rapid a rate of growth as others. It is proposed that new manufacturing or processing enterprises located in designated areas of slower growth be exempted from income tax for three years, if any such new enterprise begins commercial operations within 24 months of the date of enactment of this bill.

Such enterprises will be entitled to write off new machinery and equipment in as little as two years, and new buildings over a period of five years; and they may defer this write-off rental after the expiry of the three year tax exempt period. These are very substantial incentives. It is hoped that they will induce new businesses to locate in areas which for some years have lagged behind the rest of Canada in their development and in employment opportunities. Considerable success has been achieved in other countries by offering inducements to companies to locate in areas of slow growth. I could mention quite a number of them, but I am hoping that the hon. member for Northumberland (Miss Jewett), who has made a study of the subject, will have something to say about it in the course of the debate. I am sure she will be able to do so much more ably than I could.

The third category of amendments to which I referred earlier has to do with the proposed changes in the rates of withholding taxes. There seems to be general agreement on this. We must give priority in all our economic policies to measures that will bring our international transactions on current account into better balance; and, as has been stated on other occasions, the government is determined to do just that. As I say, I think most people in this house and the public generally will agree with this objective. However some people do not accept, or do not accept fully, some of its implications; they seem to think it is a mistake to make any changes in established ways of doing business. But surely, Mr. Speaker, there is no

excuse for Canadians any longer to refuse to face the situation with which we are confronted. We simply must reduce our vulnerability to fluctuations in the international flows of capital. We cannot count on continuing to borrow abroad to pay our bills. We simply must bring our international transactions more nearly into balance. This really means that somehow or other we must secure a larger share of the North American market for our products.

As everybody knows, we have a surplus on current account with the rest of the world, and if we are to bring our international accounts into balance we must look to the North American market as the place for increased exports. If we are to do this, we must strive, among other things, to increase our exports of certain manufactured goods. We all know this is not going to be easy. We know that some 60 per cent of Canadian manufacturing is controlled by people who reside outside our borders, and we know that the corresponding percentages of absentee ownership for mining and refining are higher, and that for the petroleum industry it is higher still. We know also that a much higher proportion of our industry is controlled by non-residents of our country than is the case in any other country in the world.

A number of countries impose restrictions of one kind or another upon foreign participation in resident corporations and upon inflows of foreign capital. These include such countries as Sweden, Japan, India, Mexico, Britain to some extent, Switzerland and France. I think everyone will agree that in Canada we have gained a great deal from the parent-Canadian subsidiary company relationships that are so prevalent. This has meant access to new developments, to management know-how and to research facilities. But these parent-subsidiary relationships are a source of real difficulty when it comes to our objective of increasing exports, or even to reducing imports, especially of manufactured goods. This is particularly true in some cases where the Canadian subsidiary is wholly owned by a single foreign company. Often the managers of such subsidiaries have no real authority. The important decisions are made by the parent company. Understandably, the top officials of the parent company set their sights on increasing the volume of business and the profits of the total enterprise. It would be unreasonable to expect them to give the special requirements of the Canadian economy undue priority. It would be unreasonable to expect officials of a parent company, for example, to encourage their Canadian subsidiary to compete with its parent in the parent company's home markets or in other countries in which the parent company is interested, unless there were clear price and profit advantages in so doing.

It is significant, I think, that people who are connected with partially owned Canadian subsidiaries generally consider that having minority shareholding interests is a good thing for Canada. The managers of these companies usually have more autonomy, and apart from that they must keep in mind the best interests of all their shareholders and not just the largest one. In such cases the Canadian partially owned subsidiary is more likely to be allowed to do things that are in the best interests of our country. This is not always true, but I think it is a reasonably valid generalization.

In the budget speech I outlined the views of the government on how harmonious relations with foreign investors can best be preserved. Amongst other things, I referred to the desirability of foreign investors selling minority interests in their enterprises to Canadians and electing a number of independent Canadian directors to represent these interests. I pointed out, of course, that not even a 25 per cent interest in most new or existing enterprises is something that could be realized overnight. It is an objective to be worked towards over a period of years; and when I say that, I mean quite a long period of years.

There was nothing very new in the code of desirable behaviour that I suggested. The same sort of thing has been said by successive governments. But the ever increasing upward trend in foreign ownership of Canadian companies continues. I suggest to hon. members in all seriousness that the time has come when something more than words is needed.

Some hon. Members: Hear, hear.

Mr. Gordon: To this end the bill includes some incentives and some gentle pressures to broaden the base of ownership of Canadian companies gradually and moderately over a period of years. I have suggested already that I believe this would be helpful in achieving the objective of increasing exports or to some extent replacing imports through Canadian production, and thus reducing the current account deficit in our international transactions.

It has been rightly stated that Canadians are not in a position to purchase a quarter interest in all the Canadian subsidiary companies of all foreign corporations, even if they wished to do so. The necessary capital is not available, that is true; but no one has suggested that such a move would or should take place overnight or that in practice the owners of all Canadian subsidiaries would be willing to make some of their shares

available. What has been suggested is merely that it would be a good thing if over a period of years there was a greater opportunity for some kind of partnership in the direction of companies that conduct their business in this country, and in this way more autonomy for local management.

There is nothing very harsh or punitive in the measures now suggested. To begin with, it is proposed to exempt certain institutions—pension funds are an example—from the non-resident withholding tax on interest payments in connection with new issues of securities. I should have made it clear that I refer to certain institutions outside Canada. The reason for this, of course, is that if these institutions, such as foreign pension plans, can buy our bonds without paying a tax to the Canadian treasury, they are more likely to do so. This will broaden the market for Canadian bonds, and it will also reduce the cost of borrowing by Canadians, when this becomes possible once again, and help to keep interest rates down.

Mr. Douglas: Will this apply only to bonds or will it also apply to equity securities?

Mr. Gordon: I am only talking about bonds. I am talking about broadening the market and reducing the cost of borrowing, when this becomes possible once again, and also borrowing abroad once again. Because as all hon. members know, until the legislation dealing with the U.S. interest equalization tax is passed by both houses in Washington there is a virtual shutoff of all borrowing by Canadians in the New York market.

The non-resident withholding taxes on dividends would be reduced from 15 per cent to 10 per cent where foreign parent companies make it possible for Canadians to acquire a small minority interest. The withholding taxes on dividends payable by companies which, for one reason or another, do not wish to do this will be increased from 15 to 20 per cent, but this increase will not go into effect until 1965. I suggest to hon. members that to do less than this by way of incentive or by way of a mild push would surely mean that we did not take this matter seriously. If we mean business Canada must gradually take whatever steps are necessary, even if such steps are not popular in all circles, to regain a greater measure of control over her own economic affairs, including the policy decisions of Canadian corporations. If we do not do this, Canadians may well wake up some day, and perhaps sooner than they think, and find that they have lost control not only of their economic destiny but of their political destiny as well.

Mr. A. D. Hales (Wellington South): Mr. Speaker, I should like to say a few words on this bill before it goes to committee and is discussed clause by clause. I would remind the Minister of Finance (Mr. Gordon) that just about one year ago when he sat on this side of the house, namely on November 15, 1962, he then said, as reported at page 1654 of *Hansard*:

> A complete revision of the Income Tax Act is overdue, and I think most hon. members of this house would agree. I hate to think that it is going to be postponed for several years pending the report of the proposed royal commission on taxation.

Then the minister went on to express his regrets at the illness of Mr. Carter, the chairman of the commission. The minister then continued:

> However, if the government knows what its objectives are, may I suggest that it should not be difficult for a small group of lawyers and chartered accountants who are familiar with taxation matters to draft a new act in a relatively short time without waiting for the report of the royal commission.

The minister now sits on the other side of the house. He has had the opportunity now to do just what he suggested, but he has brought forward very little except certain amendments to the Income Tax Act, the same as was done last year. He has also said, as he said then, that the Income Tax Act is too complex, too complicated; that it is difficult to understand and there are too many loopholes in it. I could not agree more with him in this respect. As a layman, as a businessman, I find the Income Tax Act and its amendments passed from year to year becoming more complex and difficult for the layman to understand. And here we are, going along the same way, adding more amendments to the act and making it more complicated as time goes on. However, I compliment the minister on closing up some of the loopholes he mentioned, and I think a government is just as responsible as the person who takes advantage of these loopholes, for not having closed them up before they were taken advantage of.

I should like to address my remarks to one section of the act in particular, namely section 16. This is mentioned in the remarks of the minister in the paragraph headed "incentives to industries". As I understand it, the government proposes to give certain substantial concessions to a company which creates a new industry in a designated area. These concessions are threefold. First, these industries will be given a three-year tax holiday from income tax. Second, they will be given a 50 per cent write-off on new machinery which can be completed over a period of two years. Third, they can have

a 20 per cent write-off on new equipment and this can be completed over a five year period. I say that these are very substantial incentives, so much so that they have caused great interest and aroused a great discriminatory feeling in the particular area of the country from which I come, southwestern Ontario.

My criticisms on clause 16 are these, and I will try to bring them to the attention of the house without referring to the specific wording of the bill or the clause concerned. This, no doubt, will be done by other speakers in the committee stage. My first criticism would be that this clause is discriminatory. It is discriminatory in its effect because this government did not give sufficient study or attention to working out this incentive program before it was introduced. They did not realize the consequences and the implications of giving this incentive to one particular area in a heavily industrialized region.

When previously discussing the subject in this chamber, I cited the example of a father who had four of his children in a room and who gave to one of them a ten dollar bill while giving the others nothing. Of course, he would have a family row on his hands. This is exactly what the present government has done with regard to this great industrial community. Out of all the cities in this area, they give to one city, the city of Brantford, this particular concession without making it available to the other cities adjacent to it. We have in that area, as a result, a great family row among cities which were members of a very happy family living and working together. We were competitive. There was keen competition among us to get new industries. Then the government asks this house to pass legislation making it possible to grant a concession of this importance to one city and not to another. I say it is absurd for taxpayers to be asked to provide funds to make possible a concession amounting to more than $400,000 for new industry to establish in Brantford, or any other particular city in that area, rather than in, say, Guelph, or some other community.

Mr. Winkler: May I ask the hon. member a question? Is it true that while this area, Brantford, was being designated, certain industries in Brantford advertised in other neighbouring communities such as Kitchener for skilled labour?

Mr. Hales: That is precisely true. I understand that was the case in the city of Kitchener. I know that in Galt, only 15 miles from Brantford, one industrialist has intimated that after applying for help in the Brantford area papers not one person from that area came to apply for a position in a city only 15 miles away.

If this legislation is not discriminatory, why have so many resolutions on the subject been sent to the Prime Minister (Mr. Pearson) the Minister of Labour (Mr. MacEachen) and the Minister of Industry (Mr. Drury) by organizations in Waterloo, Kitchener, Guelph, Galt and other places in this area? Why did a delegation composed of mayors, reeves and other men elected by the people visit Ottawa recently? Why did they come here to put their case before the Minister of Industry, who, I may say, refused to make any changes or concessions with respect to this legislation?

Let us see what the labour council of the city which I have the honour to represent had to say on the subject, as reported in the *Mercury* of October 11:

> If the federal government's policy is going to be one of offering large subsidies to industry to locate in adjacent municipalities, we have no alternative but to disband our (industrial) commission and rely on a depressed area status.

So in my opinion this is discriminatory legislation of the worst kind. We are given a definition of what constitutes new industry. What is a new industry, under this definition? Well, if I am a manufacturer making a chair in any one of these cities and I put three rungs in it, instead of two, the chair becomes a new product. I have a new industry. I might be running a concern called the dominion chair company of Guelph. All I need to do is move from Guelph, set up in Brantford and call my business the dominion chair company of Brantford. I put up a new factory there, introduce new machinery and become eligible for concessions which amount to as much as $400,000, the amount received in one particular case by an industry which was established in our community and which moved to Brantford in order to take advantage of these substantial benefits.

I know what is probably being said by hon. gentlemen on the other side of the house. They are saying to themselves: he is talking this way just because the shoe pinches. That is not the case at all. I am objecting because, as I say, this legislation is discriminatory. It might be acceptable if it applied to distant places in remote areas where help was needed. I would go along with that, and I am sure other members of the opposition would go along with it, too.

My second ground for criticizing this measure is based on the method used to select the designated areas. The criteria which are used are not fair because they cover the last eight years. It appears that a national employment service area qualifies as a designated area, provided it has been classified by the Department of Labour as a

labour surplus area for half or more of the summer months, May to October, during the past eight years and has experienced an employment increase of less than half of the national average over the same period. There are certain other alternatives set out in various subparagraphs. Statistics are all very well in some cases, but they must have a direct application to the situation we are facing. With regard to the case I have brought to the attention of the house, the case of the city of Brantford, I draw the attention of hon. members to the following which appeared in the Kitchener-Waterloo *Record* of October 11. Here it is, a full page, with the heading: " 'Distressed' Brantford Blushing But Grateful". There is a picture of park benches with only two people sitting on them. There is another picture of the employment service office—an office with not a soul in it except the officials. There is a picture of the main street of Brantford crowded with people shopping. It gives anything but the appearance of a distressed area. Then the text goes on to say this—and I cite the following in order to show that one cannot depend upon statistics alone:

> The city has long leaned heavily on its main industry—farm machinery. And in the past, the two giants, Massey-Ferguson and Cockshutt, have produced at full speed in fall and winter for the ripe spring market. But in summer, they have laid off hundreds.

This is a specific case. There are also, in that area, workers in the tobacco fields who enter the district to help in the planting and harvesting of the crop. Many of these people are transients, but after the tobacco season is finished they remain in the area over the winter. I bring these examples to the government's attention to show that you must use more than statistics in picking out designated or distressed areas.

My third criticism is that this is a very contradictory piece of legislation. Why? We have the Minister of Finance (Mr. Gordon) sitting across from us, who has just said he is going to bring in amendments to the Income Tax Act so that fewer and fewer United States subsidiaries will locate in Canada. He is going to tax them so they will not come into this country, or something like that. This is what the legislation means in laymen's language. He is not going to encourage them to come in here. Now we have his partner, the Minister of Industry (Mr. Drury), to whom he is talking at this minute, saying to this United States firm which had decided to locate in Guelph: You go over to Brantford which is a designated area, and we will give you $400,000 on a silver platter. The ministers' actions are contradictory and they are at cross purposes with one another. This seems to be the type of legislative policies we have had ever since the new government came into office, with one minister working against another. Solidarity of the cabinet means nothing any more. Here is a concrete example that they are working at cross purposes.

My fourth criticism is that this legislation overrides municipal and provincial autonomy. The mayor of the city of Brantford did not even know his city was a designated area until this firm went over there and bought a piece of property on which to locate. That was the first he knew about it. Ottawa says to Brantford: You are a designated area, and they had nothing whatever to say about it. This is Liberal central control policy.

Mr. Rynard: Bureaucracy.

Mr. Hales: Yes. Bureaucracy is the word. Provincial autonomy has been overridden; the Minister of Industry himself has said so. In speaking to the mayor of the city of Guelph he admitted they were overriding the Ontario law which permits no financial concessions to industry. The business of one city outbidding another city for industries got so bad that the province of Ontario said it had to stop and legislation was passed to that effect. It provided that city A could not offer freedom from land tax for five years, and in competition with city A city B could not offer ten years freedom from land tax. This situation was taken care of by the department of municipal affairs in Ontario. Yet the federal government has overlooked this legislation, overridden provincial autonomy and has gone ahead and named Brantford as a designated area.

The psychological effect is very bad. No community likes to be singled out as a slow growing or depressed area. What community wants to be called a depressed area? What community wants to be called a slow growth area? Most municipalities want to stand on their own feet, go it alone and work to develop industrial areas and attract industries in a good, clearcut way, as has been the case in the past.

My fifth criticism is that industrialists are discontented. They dislike having to compete with a new firm that is given concessions and is enticing staff away from them and undercutting prices. The situation is getting to be very bad in Brantford. The controversy has been propelled into the spotlight and new industries are making their contacts with the city through agents, because they do not want to be caught in the glare of publicity.

I hope the Minister of Finance will reconsider this amendment to the Income Tax Act. I summarize my criticisms. First, it is

discriminatory. Second, the method of selecting or designating areas is not a sound one. Third, it is contradictory. Fourth, it overrides municipal and provincial autonomy. Fifth, it is very ill conceived and industrialists are not happy about it.

I present these reasons to the house why the amendment should be withdrawn completely. I know that when the Liberals were in opposition they hounded and urged us to introduce tax incentives to increase production and employment. Our government proceeded to lower the rate of tax on profits resulting from increased sales. This was an incentive, but we left it to industry to do it themselves. We did not interfere with municipal or provincial autonomy.

In the particular case to which I have been referring a wealthy United States firm came into my community. They were a well-to-do firm and did not need concessions. They are not poor by any means. In fact, perhaps the situation might be elaborated on in this way by using a Biblical expression: "To him that hath shall be given and to him that hath not shall be taken away even that which he hath". This is a case in point.

For these reasons, and many others which I am sure will be brought before the house before this amendment is passed, I would urge the minister to withdraw the whole section dealing with the proposed tax bonuses to new manufacturing and processing businesses in designated areas, until the matter has been given more careful study. I would beg the Minister of Finance and the Minister of Industry to do this.

Ask the chamber of commerce of Canada what they think about it. Ask the Canadian Manufacturers' Association. Ask the association of mayors and reeves. Ask the experts in the field what they think about this type of legislation. If the minister will approach the people who are close to the problem and if he wants a concrete example I would extend to him a first hand invitation to come to the community I have the honour to represent and learn what the people there are saying and thinking. Only last week end I was visiting the store of the man who ran against me as the Liberal candidate in the 1958 election. He said to me, "Alf, keep up the fight; you are on the right track and they are wrong". While visiting the fair the other day many of my good Liberal friends said, "You are on the right track and they are wrong; keep up the fight". So I say to the Minister of Finance and the Minister of Industry: Give this discriminatory piece of legislation further and more careful consideration.

[Mr. Hales.]

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, in taking part this afternoon in this debate on proposed amendments to the Income Tax Act, I have in mind certain suggestions which I shall be happy to offer to the Minister of Finance (Mr. Gordon). But, before I do so, I should like to point out how the general public and I myself feel about those proposed amendments.

If I am not mistaken, the main intention of the minister, in proposing the amendments, is to enable us to gradually become masters of our own economy. He said himself that the tax changes would help primarily to improve our unfavourable trade balance.

Obviously, there are many ways of achieving that objective. The one we are discussing now, that is the levying of taxes or simply tax exemptions in other areas, is certainly a method which can be used.

We have been told again and again for a long time that no other country's economy is under stronger foreign domination than that of Canada. Such an honour is not too enviable and we should all strive to correct that situation.

The interest Americans have shown for over a century in the expansion of the Canadian economy was certainly not inspired by any concern over the welfare of the Canadian people. Their concern was first to make profits and second, to take over resources which they could easily control and which could provide them, in the years to come, with the raw materials they need for their vast industries.

The fact that the Canadian economy is largely dominated by American interests exerts a tremendous influence on our country's development. As the minister pointed out, when decisions are taken at the management level of those enterprises, in a country other than our own, it is obvious that the concern is not for the human and economic factors involved and which will be affected by the decisions reached. Those people consider the interests of their country in the first place and consequently, the interests of Canada are relegated to the background.

It is therefore urgent, Mr. Chairman, that we take the necessary steps to regain our economic independence.

I pointed out recently that the economic control, the labour control as well as the military and political control, to which we are now subjected, have created lately many problems which are not yet completely solved.

I think that the present government has shown some indications which may lead us to expect that some action will be taken. Enough idle talk, it is time for action.

Mr. Speaker, the budget which was presented to us by the Minister of Finance on June 13 last, showed that he was ready for action, and we were sorry that, at a certain time, he had to back down and even withdraw one of the measures he had advocated, in other words, that he cancelled the tax he intended to impose on the sale of Canadian shares abroad. In my opinion, it was a commendable move, because just a few days after the withdrawal of that tax, we saw that Americans were taking advantage in a hurry of the opportunity which was given to them.

Mr. Speaker, I think that, in future, we shall have to seek further measures in order to promote the development of our industries by Canadians. It is obvious that the most essential measure will probably be the provision of capital, which is clearly inadequate at this time, so that we may take over in some areas which are not ours at present. It is not a matter of depriving those who have investments in Canada. That would not be fair, but we are entitled to buy back our properties and I think that the government should introduce legislation in order to supply the funds that we now need so urgently.

Let the government take the necessary steps so that we may develop our own industry and resources.

From what he said earlier, it seems that the minister's intentions are good and I hope that he will continue to take steps which will bring results.

Mr. Speaker, I urge the minister to give earnest consideration to some of the suggestions that he seemed interested in but that he dares not accept for fear of being considered a joker. In my opinion, the jokers are actually those who, in the past, as well as now, have let our country be developed by foreigners instead of Canadians, letting them benefit, on our behalf, from the natural resources which are so plentiful in our country.

Mr. Speaker, there are certainly anomalies in the Income Tax Act and I am of the opinion that everything is much too complicated in the taxation field.

I know that the minister expects very much from the report that will be submitted to him soon by the royal commission on taxation.

Mr. Speaker, I wonder now which measure we should pass in order to keep the control of our Canadian industries and prevent the heads of American industries from taking over Canadian industries established in our country.

I especially think of the special case of Canadian Oil which, I think, was taken over last year by Shell of America.

Considering the procedure followed at that time, I wonder whether we shall have to amend the Companies Act, under which it is permissible to increase the number of shares and offer them in exchange for other shares held by other companies.

I suggest that this procedure is a camouflaged theft, since the heads of those companies get the right to print share certificates of their company—which are very cheap—and to offer them later to holders of other companies they want to control.

Following the increase in the number of shares of their companies, and considering that they keep a sufficient number of them to retain control of the company, the heads of those companies thereby obtain control of firms without paying anything, for all practical purposes.

Mr. Speaker, in my opinion, that procedure which we have seen in the past must cease if we really want Canadian industries to stay in the hands of Canadians, because otherwise we shall lie at the mercy of the great industrial and financial empires of our neighbours to the south which can use that procedure at any time.

As a matter of fact, Americans have recently taken over one of our Canadian banks, namely the Canadian Mercantile Bank, thus gaining control of another Canadian bank.

Mr. Speaker, I feel that if we want to prevent our institutions from being taken over by Americans, we shall have to take drastic measures which will probably cause a reaction and even bring about retaliatory action on the part of Americans. I think that, at this time, we Canadians should avoid any partisanship and all work together. Nineteen million Canadians will have to co-operate and strongly endorse the government which will take the necessary steps to regain control of our economy. This is a vital question.

I feel that we cannot postpone indefinitely the moment when such action must be taken because, at any time, we shall have to cope with a violent reaction from the foreign interests which will find themselves evicted from the strong positions they now hold and will lose the profits that they greatly appreciate. Other countries have taken that position before us. It is unfortunate that we should have to take such action against a friendly country, but if it is really friendly, it should understand that control of our economy must be given back to us, along with our political and military control.

Mr. Speaker, before concluding, I wish to mention a point which I particularly have at heart.

The Minister of Finance stated earlier, that he was amending the Income Tax Act, in order to remove the so-called "loopholes".

In this connection, I wish to make a suggestion. I admit that it is a rather delicate question to discuss, especially for me, since I come from the province of Quebec. I am referring to the section of the Income Tax Act which provides for a deduction of up to 10 per cent for charitable donations on presentation of official receipts and appropriate evidence.

Mr. Speaker, that is a touchy subject at present in the province of Quebec and I know that there may have been abuses on that point but I am sure that there have been similar abuses, not only among the French-Canadian population of the province of Quebec but in every part of Canada.

I cannot accept that the whole population of my province should be accused of dishonesty because a few people have been using this provision to get a tax rebate. I deny such an accusation, and so that it may not be made again in the future, I urge the minister to have that provision repealed in order that there may no longer be any tax deduction for charitable donations. Now, here is what I would suggest in return: That the tax rate on the $3,000 of taxable income be lowered from 17 to 12 per cent, so as to eliminate all these shenanigans, all that paper work and all those investigators who go about the country and cost the treasury a lot of money.

I see the Minister of National Revenue (Mr. Garland) and I ask him to give all his attention to my proposal. As a matter of fact, I think that he did receive a letter I wrote him to this effect. The act lends itself to abuse and, if you think that this legislation is not all it should be, what are you waiting for to change it? I cannot tolerate those continual insinuations to the effect that the people of Quebec are dishonest.

Mr. Speaker, there are hundreds, if not thousands of individuals in the province of Quebec who have made out their income tax returns for 1962 and who are still waiting for the overpaid tax to be reimbursed.

That legislation authorizes deductions of 10 per cent of the taxable income, with suitable evidence of course. Now, if the given proof justifies a certain deduction, why should there be such a delay?

I wonder if it would not be possible to hire other people to conduct other investigations so as to give satisfaction to our fellow citizens.

We are now at the end of October and you will have to pay interest on those amounts you are withholding. That business should be settled once and for all.

[Mr. Lessard (Lake St. John).]

Mr. Speaker, I ask the minister, as well as his colleague, to see to it that this section of the act be withdrawn, since it lends itself to abuse. He should accept my suggestion; it would help to simplify an act which is already so complex and confused.

To finish my remarks, let me, strike another note, Mr. Speaker. Our group advocated certain amendments. We made many suggestions and, personally, I consider that with the present taxation system, it is always the consumer who has to pay. It is no good trying to find out who is finally going to pay the tax collected here and there. In the end, it is always the consumer. Why multiply those taxes endlessly?

I therefore ask that the cost of production of the goods sold in this country and the total of taxes levied be indicated. I also ask that taxes be charged on the finished product rather than on all phases of production. That would enable our producers to face competition on foreign markets without risking to be accused of dumping. That would put the Canadian industry in a better position to face foreign competition.

Finally, I think that we could greatly simplify that Income Tax Act because the consumer is always the one who has to pay the bill. Those taxes are levied precisely in order to provide for the payment of the services for which we cannot pay individually and which we are required of the government.

We accept to do our share so that those services may be provided for the majority. So, it is normal that we should accept to pay that premium, if I may call it that, so that the government can keep on providing those services.

This proposal we just put forward today is certainly not the ideal thing, far from it, but it tends to alleviate the taxpayers' burden. I am not a taxation expert and I suppose that those experts could find other alternatives; but, on the other hand, when we depend only on experts, the result is that we get exceedingly complicated situations. I think that this document prepared by experts could be used as conclusive evidence.

[*Text*]

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, what we are dealing with this afternoon is, I suppose, the somewhat battered remnant of the budget that was presented to us many months ago. I would like for a moment to point out that in the modern world of government administration a budget is something far more than merely the housekeeping accounts of our national government. It is a piece of mechanism by which a government decides,

in the first place, just how the national income is going to be distributed. It is a piece of mechanism by which a government can to a great extent determine just how much its revenues shall increase and how much its expenditures can increase, or vice versa.

I have been rather struck with some of the measures in this bill. I was at the time they were introduced in resolution form by the Minister of Finance (Mr. Gordon) and on that occasion I suggested that perhaps the budgetary mechanism was not being used in the best interests of the Canadian people. I think we should remember that this budgetary mechanism is the same wherever it operates; it is the piece of mechanism not only by which the Minister of Finance of Canada protects the interests of a number of quite well padded corporations but it is the same sort of mechanism by which his opposite numbers in different parts of the world achieve different purposes. I suppose you might say it is the piece of mechanism by which Mao Tse-tung rather ruthlessly turns Chinese peasants into industrial workers. In the present instance we have in this bill a number of provisions that are going to increase the holdings of rather privileged sections of our society. I say this having regard to statistics that I am sure the minister has seen, which indicate that those sections of our society are doing very well now.

We have, for instance, the report of the dominion bureau of statistics with regard to gross business savings. Really these are rather astonishing figures when we consider them in connection with the proposals of our Minister of Finance. There was a total increase in gross business savings of rather more than $400 million between the years 1961 and 1962. This was made up of an increase of $200 million in undistributed corporation profits and a similar amount, multiplied by ten, with regard to depreciation allowances, which rose from $4,539 million in 1961 to $4,755 million in 1962.

I suggest, sir, that in the face of these figures the government and the Minister of Finance could have done much more toward dealing with the other problems that he has been presenting to us. In the main the two problems—and his attempts to grapple with them, I may say, have my heartiest sympathy and support—are the question of foreign ownership and the question of reversing the rather disastrous centripetal force that has been dragging all our industry, all our production into only a few industrial centres. We face the problem of encouraging development in the designated areas and making some attempt to control the increasing foreign ownership of our resources and our industry.

As I say, Mr. Speaker, I have great sympathy, as I am sure practically every member of this house must have, with the minister when he tells us, quite rightly, that this is a very serious problem which may have results much more quickly than many of us understand and realize with regard to our political independence, as well as our economic independence. I think this is something that all Canadians should be recognizing today. We should be recognizing that we have actually only two courses to follow. We can attempt to do it along the lines that the minister has pointed out—and I am going to deal with the methods he has outlined, which I think are ineffective—or allow ourselves to be submerged in the economy and the political life of our great neighbour to the south. If we decide we are going to do the latter, the sensible thing for us to do would be to start negotiations to that end right now. If we are going to allow ourselves to be absorbed, let us take some positive action to be absorbed on our own terms. I think that idea is repugnant to most Canadians, but it is not sufficient merely to feel it is repugnant; you have to do something positive about it.

What the minister is suggesting in this bill is, I think, really a rather naïvely optimistic course of action. I refer to the suggestion that with great effort and, according to him this afternoon, the lapse, of considerable time, we might achieve a 25 per cent ownership in industries that are now foreign owned. As I say, I think it is naïvely optimistic in a day and age when it is notorious that even the majority stockholders in corporations have little or no say in their direction to imagine that a minority group of 25 per cent could have any really effective control over corporation policies. It is naïve and optimistic in the extreme.

I would suggest that this suggestion has come about because of the government's preoccupation with some of the disappearing myths of economics from which we are still suffering; the idea that we must rely on private enterprise for all these changes which we wish to make. This not only produces an ineffective solution, but one that even if we achieve it today, tomorrow we might lose it; because if we are going to replace private American ownership—we might as well place the name right now on the record, because we all know to whom we are referring when we speak of foreign ownership—with private Canadian ownership, what guarantee have we that next week or next month or six months from now our Canadian 25 per cent ownership is not going to succumb to an attractive offer from the corporation directors of the company in which they hold their shares.

I would suggest that rather than do that, the minister would be better advised to lay plans for making a modest public investment, possibly even less than 25 per cent, in these industries in which it becomes possible to do so. He should take a leaf out of the book of the French planners, who have planned in a rather careful and rather conservative manner but who nevertheless have adopted a policy by legislation of ensuring that a designated director assumes his seat on the board of directors of every corporation in which the public authority invests funds in France. The steel industry in France, for instance, has about 30 per cent of its stock held by the public authority.

In addition to that, the public authority designates a director to take part in the deliberations of the board of directors of that corporation. If you wish to make a minority stockholding effective on the board of directors you have to ensure, in the first place, that it is going to be permanently there, and in the second place that it will have a powerful voice on the board of directors.

I suggest that the director designated by the government of Canada would have a very important voice in any company decision. I also submit that the same argument must also be used with regard to this vexed question of encouraging development in the designated areas. In the first place, I think that some of the provisions are open to very severe criticism in that they appear to leave the door open for very substantial raids on the public treasury, by means of this tax exemption, by corporations—and I see nothing in the act which seems to prohibit this—which are well established in other parts of the country setting up a wholly-owned subsidiary corporation, moving into one of these designated areas and taking advantage of these tax exemption provisions. It may be I am wrong and that I have read the bill wrongly, but I have not seen any provision there which would prevent that sort of operation. When we consider that the vast bulk of productive enterprise in Canada today is carried on by very large, powerful and wealthy corporations, I think this is a very real danger which faces the minister's attempts to encourage development in these designated areas.

These are the main criticisms I make of the minister's bill; but in addition I feel that the whole tax structure should really be reorganized and that it should be reorganized from an entirely different point of view from that which seems to be held by the government and by the minister. It should be considered part of the duty of a modern government and a modern minister of finance to use the budget and taxation, the fiscal structure

of the country, in a redistribution of income throughout the community. After all, that is the modern trend in society all over the world. It has been the means by which we have progressed. It has only been the rapid and quite drastic redistribution of income in North America which has enabled the North American economies to develop as they have. One of the pioneers, of course, in that field was a gentleman who would have repelled most vigorously any idea that that really had been his purpose, the late Henry Ford, who staggered and dismayed his fellow industrialists by suggesting that it was possible to pay $5 a day for industrial workers. When he did so he laid the groundwork for this redistribution of income upon which modern industry is now based; and I suggest to you, Mr. Speaker, that the minister is missing an opportunity when he persists in increasing the benefits to be derived by wealthy corporations from our fiscal structure, and does nothing, or practically nothing, to advance this process of income redistribution upon which economic prosperity so largely depends.

Somebody mentioned this afternoon that the minister's attempt to deal with foreign ownership by means of his 30 per cent takeover tax had had to be abandoned, and then the Americans had moved into that field. I am sure the minister does not have that rather naïve interpretation of the events which happened. I should like to speak for a moment on this, because it is one of the great problems facing us today.

The minister has pointed out that, due to the present position of the interest equalization tax, the legislation governing which is still undecided before the U.S. congress, there has been a virtual drying up of all investment coming into Canada, or at least a very severe diminution of it. The anxiety at the time the tax was announced to get special concessions from the United States indicated the minister's realization of the very precarious position in which the Canadian economy finds itself today. It is a precarious state of affairs because we have allowed ourselves to get into the position of depending upon a continual inflow of capital to balance our payments problem. I suggest to you, Mr. Speaker, that there is something much more important which will have to be done than merely trying to keep United States investment out, or to diminish it, and to keep United States imports out if we are to tackle this whole problem which was indicated to us when President Kennedy announced the tax. It was in fact nothing less than an indication from the United States authorities that they are no longer able to do what they have been doing since 1945, and that is in large measure to finance the exchange transactions

of the world. It has been accomplished at the cost of enormous and growing deficits in the United States, which in turn have caused a weakening of the dollar, which again in turn has caused the run on gold which so alarmed the United States authorities.

My great fear is that Canada—although I must say I have seen no indication that the minister is moving in this direction—and other countries in the world may be tempted to seek a solution to this problem by unilateral action in order to preserve their own currency, and solve their own balance of payments problem unilaterally by a belt-tightening process. Unfortunately there are some very powerful and influential voices in Canada at the present time urging our Minister of Finance to pursue that policy. I hope he is going to turn a very deaf ear to those voices and is not going to put Canada in the position of taking part in what could only be a chain reaction of depression, such as took place some 30 years ago with the collapse of the pound sterling, when the world faced the same situation, and was under the same pressures and difficulties as are faced by the U.S. dollar today. Not that I am suggesting that the United States dollar is in any danger whatever of collapsing in the way the pound sterling did because, of course, the United States economy is still the wealthiest and most productive in the world. But the United States has given us and the other 21 nations in the world to whom the proposed legislation will apply notice that they can no longer shoulder this burden, and I hope the Canadian government will at least encourage, and perhaps take the lead in pressing for an international solution to this problem, an international solution which is required not merely to prevent the developed countries from plunging into a wave of depression, but also to make effective any development of the undeveloped areas of the world, or to provide any effective means of closing the gap which now is widening between the "have not" nations and "have" nations.

I think that these are the problems facing one minister. I hope he is going to resist the pressures which will be brought to bear on him to balance our budget, to tighten our belts to protect the Canadian dollar by the time-honoured method of balancing the budget and that he realizes that the world has now reached the stage where we have to co-operate with an international field and develop international mechanisms to deal with the economic problems of each of our national economies.

I feel that this bill before us this evening takes very little cognizance of the difficulties which lie before us. I do not think we are going to be able to solve the problem of foreign ownership by the type of proposal brought forward by the minister. I think it is a much more far reaching problem which is going to require much more fundamental reorganization of our own economy. I would plead with the Minister of Finance and his colleagues that they do not fall into the stance adopted last night by one of our Conservative colleagues in the house, who launched such doughty blows for free enterprise that he wanted us to hand over Northern Transportation to private enterprise. I hope they will realize that so far from that being a sensible or rational procedure, the very reverse is required today—a great stepping up of public investment both independently and in conjunction with private investment. If we are to solve these problems of foreign ownership and the necessity of developing the designated areas, I trust the minister and his colleagues will bear that in mind and will not cast too many sidelong glances toward the gods of free enterprise, which are disappearing in the mists today, but leave their sacrifices before the new gods of collectivism which are beginning to emerge in the minds of intelligent and able people.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, when one reads the bill, one cannot but find it somewhat complicated. In fact, paragraph (a) of section 1 is exactly 12 lines long, without any semicolon. I shall read that paragraph and I challenge anybody to tell me that he understands what it is all about, after hearing that reading.

I see the Postmaster General (Mr. Denis), who understands French very well, and I shall read that paragraph to him. Then I shall ask him whether he has understood what it means.

> The value of board, lodging and other benefits of any kind whatsoever (except the benefit he derives from his employer's contributions to or under a registered pension fund or plan, group sickness or accident insurance plan, medical services plan, supplementary unemployment benefit plan, deferred profit sharing plan or group term life insurance policy) received or enjoyed by him in the year in respect of, in the course of, or by virtue of the office or employment; and—

If the Postmaster General understands what it means, Mr. Speaker, he is smarter than we are.

I can well understand that when an ordinary citizen has to file his income tax return he is faced with all the difficulties found in that legislation.

At page 17, subsection 3ba, you can read:

> In its application to any corporation described in paragraph (ea) of subsection (3b), paragraph (f) of subsection (3b) shall be read and construed as though—

Complications, Mr. Speaker, to such an extent that one is at a loss to understand and—

Mr. Caouette: The minister himself does not understand too well.

Mr. Gregoire: —that the minister himself, as the hon. member for Villeneuve (Mr. Caouette) just said, does not understand too well, although in private life he is an accountant and one of the best in Canada.

But, Mr. Speaker, what will be the result of such a complex bill? Our Canadian businessmen will have to spend part of their profits to hire some staff, an accountant, secretaries, and occasionally interpreters, even linguists and professors of literature to try and understand, draw up budgets, and do some accounting and bookkeeping, as a result of all those complicated laws adopted by the federal government.

I know businessmen who told me that almost half of their profits went to pay experts to decipher the Income Tax Act and file their returns. And if there is the smallest mistake, the inspectors do not understand that the blame lies with the minister who had this complex legislation adopted. The officials are also to blame, because they do not know themselves how to interpret the law in most cases; but they levy fines and penalties on the poor taxpayers who cannot understand the Act, because it is too complicated.

Mr. Caouette: It is terrorism.

Mr. Gregoire: Mr. Speaker, I submit that the minister—I recall talking about it here before, when the minister agreed to our request—should make an effort and try to trim down this whole tax legislation in order to make it more understandable for all Canadians, not only the ordinary taxpayers, but also those who pay large amounts in taxes, such as the companies, big or small, because it is legislation which is expensive to carry out since it requires too many people to fill out the tax returns.

If you try to read this legislation, you find it so difficult sometimes that some businessmen get discouraged, which I can understand, in preparing their annual returns.

Mr. Speaker, first of all, I would urge the minister to simplify the act in order to make its contents clear to taxpayers, so that the businessman will not always be the victim of the official who, in most cases, is stone-hearted. Equipped with all the powers and privileges, he breaks into the businessman's office, carrying away all the papers with him. I see that the Minister of Finance is nodding. In fact, these officials may even arrive with trucks, empty safes and desks, and carry everything with them. If the person objects, the Royal Mounted Police come 12 hours later with a warrant and take everything.

But if the act was simplified, if taxpayers were allowed to understand it better, if it was applied with more sense and heart, then Canadian citizens would be in a better situation. Today they not only pay but they have to put up with a lot of trouble.

By trying over and over again to make out what this is all about, Mr. Speaker, I finally succeeded in understanding certain points.

There is one in particular which I was able to make out. Indeed, the minister, at one point, quoted section 28 amending section 139 to make it section 139a (1):

> For the purpose of this act, a corporation has a degree of Canadian ownership and control in a taxation year if throughout the 60 day period immediately preceding that year (or if the corporation did not have a preceding taxation year, throughout the 60 day period commencing on the first day of the year).

And it continues:

> (a) the corporation complied with the following conditions:
>
> (i) the corporation was resident in Canada,
>
> (ii) either
>
> (A) not less than 25 per cent of the issued shares of the corporation having full voting rights were owned by one or more individuals resident in Canada—

Then, the minister stated that, more or less, he was satisfied that a corporation is controlled and owned by Canadians if 25 per cent of the issued shares are owned by Canadians. It does not take much to satisfy him, because 25 per cent of the shares are owned by Canadians while 75 per cent are owned by non-residents. And the minister claims that those corporations would be controlled by Canadians.

If we keep on accepting that corporations can get special privileges while 75 per cent of their shares are owned by foreigners, or foreign corporations, we should not be surprised to see foreigners monopolizing 75 per cent of the shares of Canadian corporations in order to enjoy special privileges.

I submit that if we want to grant some rights or privileges to those corporations, it must be to corporations in which at least 51 per cent of the shares, not 25 per cent, are owned by Canadian interests, so that the policies may be decided on here, in Canada.

This is what I read in a newspaper today:

> Washington proposes to Ottawa the establishment of a vast natural resources pool.

Canada has natural resources such as iron, oil, etc. It would seem that the Americans would like to set up a pool of our natural resources to get as much as they can from our own resources. Who would thereby benefit?

If this bill is adopted and if we stipulate that only 25 per cent of the shares of Canadian companies are to be held by our nationals, who would benefit from such a pool of our natural resources?

Mr. Speaker, I say that it is the United States or American financiers who would again profit from such a scheme.

In the financial columns of the same newspaper, the Quebec premier is reported as saying:

> Canadian capital is not sufficient, said Mr. Lesage, if we are to fulfil our dreams. Foreign capital will be required to carry out the projects which Quebec's future justifies.

There would seem to be some contradiction between the statement of the Quebec premier and the proposal made by the federal Minister of Finance who is trying to repatriate our industries. One of them says: "Let us regain control of our economy" while the other states that we must attract foreign capital. There does not seem to be any common ground for agreement between them, since the Minister of Finance would like to see Canadians take over the control of their industry, even if the proportion is to be only 25 per cent, while the Quebec premier claims that our dreams cannot be fulfilled nor our projects carried out if we do not get financial assistance from outside, because there is not enough capital here to develop our country.

We must welcome foreign capital in order to achieve our goals. Investments are needed.

If, instead of exerting so much effort to find foreign capital, the Minister of Finance would try to create capital in Canada, which is something we are in a position to do, then Canadians could develop themselves, for the benefit of Canadians, the natural resources available in our own country.

We have all the resources, the manpower and the skills required. Yesterday, the Secretary of State (Mr. Pickersgill) told us to find some competent people. We claim that such people exist; we know that there are competent people able to develop our natural resources. But what do we need then? Only the financial means to develop our natural resources.

I fail to understand why a supposedly intelligent group, such as the present cabinet with so many economists, is unable to find a solution where mere figures or scraps of paper will no longer impede the development of our Canadian resources.

I wonder why the Minister of Finance, who is a good accountant, has not yet realized that, by means of a monetary and financial system, it is possible to develop the natural resources of our country without always having to beg from foreigners a few scraps of paper that are needed to put people to work in our country for the development of our resources.

This is completely incomprehensible. How is it that the required capital is not available in our country?

Here is what Malraux says:

> Andre Malraux makes a summary of his mission.
>
> My predominating impression about Quebec? Hope.
>
> What struck me about your achievements? Their intentions.

Hope for the future. Intentions.

Intentions are good. There is hope of seeing them come true. But why is it not done? Why are our intentions not brought into being? Precisely because, in Canada, we are somewhat limited in our plans for lack of funds. When we need money, we are forced to go and beg abroad, outside of our own borders.

That problem has been raised several times in the house already. We have tried to explain our ideas understood in various ways. To us the matter appears simple. The Minister of Finance listens to us but, so far, he has not done a thing.

We find it strange that, whenever the government tries to do something, for instance to increase old age pensions, it always has the same idea in mind, that is to increase taxes. That is a step it promises to avoid prior to the election but, once the election is over, it does the opposite.

And now I shall deal quickly with another point. Reference has been made to receipts for charitable donations. I agree with what was said a while ago, to the effect that an abnormal situation is developing in this field. I get letters from my electors and other people who say: "We have sent receipts duly signed by the parish priest and, without telling us why, an income tax inspector has taken it upon himself to reduce the amount of money coming to us."

If only the inspector would go and see the taxpayer and explain to him the reason for this reduction; but no, the amount of the refund is reduced without consultation with anyone.

The small taxpayer has two alternatives: either accept the situation—and he is squashed once more—or start procedures to get his due, which will entail expenses.

When the Department of National Revenue cuts down the charitable donation receipts, the taxpayer should not have to pay the costs of the proceedings.

The department acts in a dictatorial way when it cuts down the refund and makes the taxpayer bear the costs of the proof. It is

contrary to the law, in Canada. The Minister of National Revenue acts in a way which is contrary to the provisions of the Civil Code of the province of Quebec, and contrary to the law in Canada. While our law is based on the principle that the onus of proof lies with the prosecutor, it lies upon the taxpayer in the case of income tax, and this contrary to the provisions of Canadian law.

The result of this is that the small taxpayer is satisfied with staying home and grumbling against the Department of National Revenue and the government.

Why not change the procedure. When the department receives an income tax return, why not accept it as it is? It is true that some taxpayers try to cheat, but then the onus of proving the cheating or error should lie with the Department of National Revenue. The department should not make an arbitrary decision by itself, saying to the small taxpayer: "If you are not satisfied, take proceedings, even if this is costly."

The Department of National Revenue forces too many Canadians to suffer injustice and keep quiet, because they do not have the means to defend themselves. As far as charity receipts are concerned, I am of the opinion that the stand of the department is unfair. I suggest the inspectors of the federal government have really been trained to act as dictators and give as much trouble as possible to our Canadian citizens. That situation should change, and we take advantage of this opportunity to request an amendment to the Income Tax Act.

I should like to speak again of a certain argument which is very important to us and which we mentioned often. I will deal quickly with it because there is not much time left; it is the ultimatum of the premier of Quebec. That ultimatum was delivered April 5 last, that is six months ago. There are only six months left until April 5, 1964.

The Quebec premier has delivered an ultimatum to the federal government, whatever may be the party in power after the general election of April 8, demanding that the federal government give back to the province of Quebec, as a first step and before April 5, 1964, 25 per cent of personal income taxes, 25 per cent of corporation taxes and 100 per cent of succession duties. On coming back here after the election, we asked the Prime Minister (Mr. Pearson) and the Minister of Justice (Mr. Chevrier) if they were aware of the ultimatum.

What was their reaction? We were told: "No, we never heard about it". And a few days later, after having received some newspaper clippings with the following headlines:

The ultimatum of the province of Quebec—

They admitted that there was an ultimatum. Today, the government knows there is an ultimatum and it is aware that this ultimatum ends on April 5 next.

There is a lot of talk about saving confederation. If we wish to save it, let us begin by abiding by it, by respecting the two great races forming Canada and at the same time by respecting one another.

I read in the same newspaper:

Lamontagne is confident that Canada will survive its centennial.

This is the President of the Privy Council, the member for Outremont-St. Jean (Mr. Lamontagne), talking.

If we wish to ensure the survival of confederation, we must begin by respecting it, which implies the enforcement of the British North America Act which gives direct taxes such as corporation taxes and succession duties to the provinces.

Those fields of taxation belong to the provinces, and the federal government has now but six months to satisfy the terms and conditions given in this ultimatum which has our support, as a first step, for our struggle will come to an end only if and when we get back 100 per cent of our revenue sources.

Should this government be unwilling to face the present situation, to have regard for the spirit as well as for the letter of confederation, then, we shall have the right to say—and I will be the first one to do so, I say it once more—we shall have the right to say that our confederation will suffer a break and will perhaps be unable to celebrate its centennial. I, for one, will not hesitate to say so.

If the intention is to give back to the provinces what belongs to them in the first place, that is the sources of revenues to which they are entitled, I, for one, will have increased confidence in confederation. But if the situation does not change shortly, then, I will say that confederation is a situation where the central government tries to deprive the provincial governments in an attempt to appropriate all fields such as education, health, hospitalization plans, etc.

If the intention is not to carry out the undertakings given in the British North America Act, I will not hesitate in stating that. I shall say that confederation did not attain its goal and that it is a colossal failure.

However, we hope that the Minister of Finance (Mr. Gordon) will assume his responsibilities and will revamp his system so as to restitute to the provinces the income tax, the corporations profits tax and the succession duties.

Mr. Malraux is right when he says:

What strikes me most in the province of Quebec is their intentions.

We have intentions in the province of Quebec, we have faith in French Canadian people, we intend to develop our province, our ethnic group. We are confident because we know that we are able to do it; we have faith in our own people, and we are able to help develop the country as a whole.

But if they start by not abiding by the commitments of the past, those resulting from the confederation, if they start by taking away from us the means to develop ourselves, how can we carry out those intentions?

What prevails at this time in the province of Quebec is a feeling of hope. We hope to find our own way towards development, within the frame of our own culture, to which we are deeply attached, and without betrayal of our French Canadian personality. We intend to develop our province, our ethnical group. If we are deprived of the necessary means towards that end, we shall have to take whatever measures are available.

I have perhaps deviated somewhat from the subject of the Income Tax Act, but not too much, really, because what we want is that the power of taxation be given back to the province of Quebec, as well as to all the other provinces.

Mr. Speaker, those are the few remarks I wanted to make to clarify all those complicated things, like our monetary system, which nobody understands in Canada, and also, in order to simplify the Income Tax Act, so that the minister might, by resorting to efficient means and not to 25 per cent measures, succeed in Canadianizing our industries, our manufactures and our natural resources, by taking the necessary steps to give a positive answer to the ultimatum delivered not by a political party, but by the whole people of Quebec, and which will expire on April 8 next.

[*Text*]

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, the hon. member for Wellington South (Mr. Hales) made some observations in relation to designated areas. In particular, he suggested that the scheme which had been introduced for designating areas was discriminatory. In the dictionary sense of the word, this is quite true. The scheme and the criteria are designed to be discriminatory, to pick out the less fortunate, the more unfavoured areas, and to provide measures of assistance for them over and above what the Canadian economy provides for Canada as a whole. In this sense, it is discriminatory and it is deliberately discriminatory.

An endeavour has been made through the criteria to select those areas which have been the least favoured in terms of a chronic high level of unemployment and stagnation, in terms of economic growth, and to provide advantages to those areas which will enable them, to some extent, to offset the disadvantages and to share to a greater degree in our national growth, in our national prosperity, than has been the case in the past. The hon. member mentioned that Brantford, particularly the N.E.S. area, should not be allowed to continue to be designated and draw these advantages. He suggested that the people of Brantford did not like their area being described as a designated area. I can assure him that I have heard from the mayor of Brantford. Although he is unable to speak for the whole of the N.E.S. area, the mayor of Brantford is highly appreciative of the fact that Brantford is in the national employment service designated area.

Perhaps some citizens of more fortunate communities would prefer not to see these advantages go to the more unfortunate sister communities, and I suppose this is understandable. I do not suggest this is a reason for the federal government giving way and yielding to those who suggest that we should not exercise our responsibility by providing what measures of assistance we can to relieve the chronic high level of unemployment and assist in accelerating the economic growth of less favoured areas.

I should like, Mr. Speaker, to provide a few figures in respect of this particular question. I may say that of the 35 areas designated in respect of high level unemployment in the summer months, not one has registered anything except satisfaction at the plan. The community of Guelph and its contiguous areas are the only ones from whom representations have been received protesting the plan. As Minister of Industry, I have received a vast number of representations urging that additional communities should be included, and in particular the communities represented by the speaker. However, they do accept the fact it is necessary to qualify under the criteria and consequently they do not press.

The criteria which have been criticized provide as follows: That an N.E.S. area will qualify for designation, and consequently assistance which the Minister of Finance (Mr. Gordon) has outlined, if it has suffered from a high level of chronic unemployment and a lack of economic growth. This, in concrete terms, means that during the six summer months from May to October an area must have been in the labour surplus category for over 50 per cent of those months during the past eight years. Further, that over the past

eight years it must have recorded a rate of growth less than half the national average.

I will compare two cities, Brantford and Guelph, during this eight year period. During the 48 summer months in the past eight years, 1955-62, Brantford was in a labour surplus condition for 87 per cent of those months. During the same period of 48 months Guelph was in a labour surplus condition for only 21 per cent of those months.

During the same eight years the rate of employment growth in Brantford was 2 per cent; that is, 2 per cent over the whole eight years. During the same period Guelph experienced a growth in employment of 19.7 per cent, almost ten times as great.

A second criterion is related to communities which, while they may have been relatively well off over the long haul, have experienced a sudden decrease in industrial activity. In this case a criterion has been established for looking at only a three year period, and in order to qualify under the three year period a N.E.S. area must have been for 18 summer months of that period in a surplus labour condition for 50 per cent of those months.

In the last three years, 1959-62, Brantford was in a labour surplus condition in 89 per cent of the summer months, and Guelph was in a labour surplus condition in only 39 per cent of those same 18 months. In the same three years the growth of employment in Brantford, on a minus or negative growth basis, showed minus 7.4 per cent, while in the same three years the growth of employment in Guelph was plus 2.4 per cent.

Taking it year by year in those three years, employment changes in Brantford in 1959-60 compared with the previous year were minus 7 per cent; 1960-61, minus 6.1 per cent, and in 1961-62 a plus of 1.2 per cent. I say this to indicate that in the last year there was some slight improvement in the Brantford employment picture. However in the same period in Guelph the growth of employment was 4.7 per cent, about four times as great.

Mr. Weichel: May I ask the minister a question. He is talking about Brantford being a depressed area, but why should it be, when recently two firms had advertisements in the Kitchener-Waterloo *Record* asking for labour help?

Mr. Drury: Mr. Speaker, I would draw the attention of the house to the fact that the use of the term "depressed area" was not employed by me. Brantford is not a depressed area.

Mr. Webb: Well, distressed.

Mr. Drury: Nor is it distressed. There is a rate of high unemployment and slow economic growth, and I suggest the reason employers in Brantford have been advertising outside of Brantford for help probably lies in the fact that the shortage of skilled artisans throughout Canada is well known and recognized. If we have high unemployment it is unemployment of those who are unskilled.

In many categories of industrial employment there is a labour shortage in Canada today, and part of the problem we face as a country is to convert those who are unskilled into those possessed of skills. While in Brantford today there is a great surplus of manpower unemployment there is no surplus—indeed I suspect there is a shortage—in certain skilled categories.

Mr. Nesbitt: May I ask the minister a question. Is he not aware that in the city of Brantford there are rather peculiar or exceptional circumstances which have created this statistical unemployment picture during the last two years, and when I say statistical I mean in comparison to its neighbouring communities? I refer of course to the relocation of the Massey-Ferguson Company and the Cockshutt Company. It is perhaps worthy to note that Brantford over the years has been largely dependant on the farm machinery business, and because of the relocation and rebuilding of these big plants this has probably created a very decided aberration in these unemployment figures.

Mr. Drury: I do not accept the suggestion that because there have been plants closed in Brantford as a consequence of relocation of industry, and as a consequence of this a lot of people were unemployed, that this created an aberration in the unemployment figures.

Mr. Nesbitt: They are building a $15 million plant in Brantford now. That is the reason.

Mr. Drury: I might point out to the hon. member that during the current summer, while this multimillion dollar plant was being built, there were probably more people employed in the construction force than would be employed when the plant comes into operation. The figures I have given to the house related to the current summer months while this high level, or allegedly high level of construction activity has been going on in Brantford. When these buildings are completed those in the construction trades engaged in building the plants will be laid off. They will be replaced by the people operating these plants, but there will still be the same number displaced in the unemployment roles as those now engaged in the construction industry and who will be laid off when building is completed.

Mr. Nesbitt: May I suggest to the minister that these construction people are not from Brantford but from other cities.

Mr. Drury: Mr. Speaker, may I call it six o'clock?

Mr. Speaker: I suggest to hon. members that in view of the letter we have received from the other place we should stay for a few minutes more. I have been informed that the messenger is on his way.

Mr. Weichel: May I ask the minister another question. If you have Brantford as a distressed area instead of a depressed area, do you not feel all the cities in that community are going to suffer in regard to new industries?

Mr. Drury: I did not quite get the question. Do I feel that because Brantford has been designated, then other sections of that community will suffer—is that the question?

Mr. Weichel: Yes, the other cities in the community, Kitchener, Waterloo, Preston and Guelph. I am sure they will suffer by not being able to secure more industries.

Mr. Drury: There is no question that Brantford is going to have a temporary advantage. After all, one of the purposes of the legislation is to confer an advantage on an area which for some reason or another has suffered over past years. The intention is to provide additional assistance to relieve high level chronic unemployment. It will have an advantage, but I do not feel for a second, nor do I think the hon. member does, that this advantage is going to be such that all industry coming to Canada is going to locate in Brantford and, as a consequence, all other cities in Canada might as well shut up shop.

Mr. Weichel: I do not expect that at all.

Mr. Speaker: Order.

ROYAL ASSENT

A message was delivered by Major Alfred Fortier, Assistant Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, the Honourable the Deputy of His Excellency the Governor General desires the immediate attendance of this honourable house in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An Act to amend the Old Age Security Act.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the acting house leader what the business will be for tomorrow?

Mr. MacNaught: Mr. Speaker, tomorrow we will continue with the present debate, and if it is concluded we shall then take up the estimates of the Department of Public Works.

It being thirteen minutes after six o'clock the house adjourned, without question put, pursuant to standing order.

28902-5—233½

HOUSE OF COMMONS

Thursday, October 17, 1963

The house met at 2.30 p.m.

PRIVILEGE

MR. WINKLER—PRODUCTION OF DOCUMENT REFERRED TO BY POSTMASTER GENERAL

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I rise on a question of privilege which concerns all hon. members of this house and, of course, the whole country. Yesterday a motion for the production of papers was on the order paper, motion No. 99, and there was an extended discussion with regard to the existence of a certain document. In the course of that discussion it was stated by the Postmaster General that this document did not exist. These words are to be found in *Hansard* at page 3626. A little earlier the Secretary of State also stated that the document did not exist. This was in accord with discussions which took place during consultation between the Secretary of State and the Post Office Department.

For the benefit of the house and the country, I have such a document before me now. As a matter of fact it is a copy of the document in question the production of which was requested under the terms of motion No. 99. If the house so desires I am prepared to table it, and that would end the discussion.

Some hon. Members: Agreed.

Mr. Speaker: I am advised that this is not a public document. It belongs to a private member; and if a private member is to produce a document of this nature—I have not seen the document but I assume it is of the nature indicated—the consent of the private member concerned would be required.

Mr. Winkler: If may say a further word, the main point at this juncture is not whether the list which I have is authentic, though I believe it to be so. It is that the Secretary of State misled the house yesterday when he said this particular document did not exist. Also, if the words of the Secretary of State were clear, and I believe they were, then of course the Postmaster General had misled the Secretary of State as he misled the entire house.

As I have already indicated, I believe this document to be authentic. It is as set out in the notice of motion for the production of papers, and I would therefore ask leave of the house, by unanimous consent, since that has been requested of me, to table this document.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, it seems to me that the hon. gentleman has raised a question of privilege, and if he wishes to depart from the rules of the house in this matter he ought to make a motion founded upon the question of privilege which Your Honour could then take into consideration. Perhaps the hon. member for Laurier can speak on this with more authority than I can, but I have no recollection of any private member on either side of the house ever being permitted or even being given leave to lay a document on the table of the house.

While I must say that I personally would not have the slightest objection to this particular document being laid on the table, it seems to me there is a very important principle involved—

An hon. Member: There certainly is.

Mr. Pickersgill: —because otherwise we might spend a great deal of the time of the house in having members lay all sorts of papers on the table. Therefore it seems to me that if the hon. gentleman feels he has a question of privilege, he should found a motion upon it which could be considered in the proper way by the house.

Mr. Speaker: It seems to me there are two points here. I should like to suggest to the hon. member who raised the question of privilege that this matter was transferred for debate, and it might be raised at that time.

An hon. Member: It was not.

Mr. Speaker: On the other hand, the basic point is that if a member rises on a question of privilege and wishes action taken, his question of privilege should be followed through with a motion on which the house may reach a conclusion.

Mr. Winkler: Mr. Speaker, accordingly I move by unanimous consent, seconded by the hon. member for Saint John-Albert (Mr. Bell), that this document be now tabled.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, may I make a suggestion to Your Honour in this matter. If the record of yesterday's proceedings is referred to it will be seen that the motion for papers was accepted. I suggest to Your Honour with all due deference that the question of privilege which

has been raised be taken under advisement by you and that Your Honour reserve your decision as to the admissibility of the question of privilege and also the matter of the tabling of the document so that an unfortunate precedent may not be set with regard to this matter.

Mr. Speaker: I wish to thank the hon. member for Edmonton West for his sage counsel and advice, and if I may take that advice I should like to take the matter under consideration.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, before the matter is dropped I suggest the hon. member might identify the document by reading the frontispiece or identifying it in some other manner. May I also point out that according to the rules of the house, if a member refers to a document in his possession he is required to table it. If the hon. member tabled it I think that would automatically end the matter.

Some hon. Members: Agreed.

Mr. Winkler: Mr. Speaker, if I may have your consent I would identify the document by reading as follows: "List of members of the House of Commons and consultants; letters for Postmaster General's signature; names on the attached list are underlined where person concerned is to be addressed by his first or last name; if not underlined, salutation is to be 'Dear Mr.' ".

Some hon. Members: Oh, oh.

Mr. Speaker: Order. I have advised the house that I will take the matter under consideration, and I think that we should leave it there.

HOUSE OF COMMONS

STATEMENT OF RETURNS TABLED AND OUTSTANDING

Hon. J. W. Pickersgill (Secretary of State): I should like to table a list of the returns to orders of the House of Commons which have been made up to yesterday. Perhaps I might be permitted to say that the list was not prepared exactly as I had thought it was going to be. It contains the whole of the 131 orders of the house that had been made up to and including yesterday, and shows that there are 37 of them still outstanding.

Perhaps I might be permitted to add also that the order requested by the hon. member for Edmonton West was tabled today.

BUSINESS OF THE HOUSE

MOTION TO EXTEND HOURS OF SITTING

Hon. J. W. Pickersgill (Secretary of State) moved:

That commencing on Thursday, October 17, 1963, and on every Thursday and Friday thereafter until the end of the current session, the hours of sitting on these days shall be:
Thursdays:
2.30 p.m. to 6 p.m., and from 7 p.m. to 10.30 p.m.
Fridays:
11 a.m. to 1 p.m., 2.30 p.m. to 6 p.m., and from 7 p.m. to 10.30 p.m. and, in relation thereto, the provisions of standing order 6 shall be suspended; and

That on Wednesday, October 23, 1963, and on every Wednesday thereafter until the end of the current session, the hours from 5 to 6 p.m. in such sittings shall be used for government business and, in relation thereto, the provisions of standing order 15(3) concerning private members' business shall be suspended.

He said: Mr. Speaker, I had hoped that either yesterday or today it might have been possible, by agreement, to have the suggestions made in the motion now before the house accepted. I have been advised that, although the suggestions put forward in this motion are based upon the usual consultations that are held in these matters, and although I was advised that these suggestions would be acceptable to all parts of the house except the official opposition, they are not acceptable to the official opposition.

The advice I received was that the official opposition—I would be glad to be corrected at once if I am misrepresenting the situation in any way, because I have no desire to do that—would prefer a different arrangement which would involve the house meeting at 2 p.m. instead of 2.30 p.m. every sitting day and reassembling at 7 p.m. on Mondays, Tuesdays and Thursdays, and there would be no sitting on Friday evening.

I am very hopeful that this matter can be settled in as non-controversial a way as possible. Since there has been no reference to Wednesday, and since the suggestion with regard to Wednesday, if I remember correctly, came originally from the hon. member for Winnipeg South Centre, I assume the suggestions with regard to Wednesday are agreeable to all parts of the house.

I feel I owe the house and the opposition an explanation of the reason the government does not feel this alternative proposal would be acceptable. It is the feeling of the government that any attempt to meet at 2 instead of 2.30 would occasion delays in getting on with the business of the house which some of us feel, sir, are too great even when we meet at 2.30. It would mean that these hours of additional time would be given to something other than the purpose of the government in making these suggestions at all, that is in gaining additional time for dealing with government business.

Of course to meet at seven o'clock on Mondays and Tuesdays for the next four weeks would be totally useless for that purpose. The only result would be that an extra hour on

each of those days, that is to say eight extra hours, would be taken up with these supply motions. While the government has no desire in any way to abbreviate the time now provided for them, it would not at all serve the only purpose the government had in mind in making any suggestion of extending the hours, which was primarily to give additional time for the consideration of the estimates. Under the rules these hours for that purpose would be totally useless.

Therefore the effect of the suggestion made by the hon. member for Winnipeg South Centre would be to gain a few minutes in the early part of each day—how many it is hard to say—and one other hour, whereas our suggestion as put forward in the motion would provide six additional hours of useful time for the consideration of the public business.

Mr. Lambert: What about Tuesdays, is not that public business?

Mr. Pickersgill: No. As the hon. member, who at one time was presiding officer of this house and for whose opinions we have the greatest respect, must realize, it is the right of the representatives of the people to expose their grievances before they agree to do the public business. The government has no desire to abbreviate that time for the exposure of grievances, but that time is not devoted to the public business. Certainly it is devoted to public affairs, but not to the public business in the sense of the business a government has to put before the house.

Last Friday the hon. member for Winnipeg South Centre indicated, when I made the suggestion and which I am grateful to the house for accepting, that he was acutely conscious of the problem that is faced by the government and the house in dealing with the estimates. As a matter of fact I thought he expressed the problem very much better than I did in his exposure of it, and I have no quarrel with anything he said at that time.

I think I also ought to point out to hon. members and to you, sir, that if the house is disposed to accept the motion that I am now proposing it would be the intention of the government, unless some unforeseen or exceptional circumstances should arise, to take the time on Thursday and Friday evenings from now until the end of the session for estimates; and it would be the intention, until we had dealt with the principal departments of government, to take a new department on each day so there would be an opportunity to have every department exposed to hon. members, in order that they could express their views about the policies of the government and bring up any points with respect to it.

It would also be the intention of the government to fix the days on which departments would be take nsufficiently far in advance so that hon. members would know what was coming and would therefore be in a position to deal in an orderly way, without surprise, with these various departments.

Until November 12 what I have suggested would mean, if it is accepted by the house, that on Mondays and Tuesdays we would spend our time on supply motions, and up until that time we would take every Thursday and Friday evening for the consideration of estimates. All that would leave to the government for the consideration of its legislative program—which hon. members who look at the order paper can see is quite extensive—would be the brief time on Wednesdays and a somewhat longer time than usual on Thursdays, although there would not be much difference because of the extra hour on Wednesdays, and of course a little longer time on Fridays, because on Friday we sit in the morning. Hon. members would know those three days would be devoted normally to legislation, and the two evenings would be devoted to the estimates.

The only alternative that the government thinks is feasible, if the house is to do the business we were elected to do and sent here to do, is to have Saturday sittings. The government would rather not have them—much rather—and I think the house would rather not have them. It did seem to us—and I think this was the view of all those who discussed this matter through the usual channels—that if we could have available these extra five hours of sitting, which is after all not a great deal of additional time—and I have several interesting observations by the Leader of the Opposition when he was on this side of the house, on that particular point—and they were made available in the way I suggest, it would not put any undue burden on any hon. member. It would, moreover, have this great advantage; that we would not have to resort to morning sittings, which are very difficult for hon. members who are trying conscientiously to serve on committees, and are very difficult also for the government because, as hon. gentlemen on the front benches opposite will know the government does require some time to give consideration to the matters it is going to bring before the house if the business of the house is to be carried on in an orderly way.

It is because we do not believe we could conscientiously go on and hope to dispatch the business required to be dispatched before the end of this session, and end it in this calendar

year, that I am reluctantly putting this motion forward without the unanimous consent which I had hoped, and indeed rather expected, would be forthcoming when the discussions took place among the representatives of the other groups. I think it will be no secret in any part of the house that in fact I did make some modification in the proposal I was then making, in order to meet the suggestions put forward and in an attempt to accommodate the opposition. I simply state that as a fact. I had hoped that by proceeding in the most conciliatory manner possible we could have a real understanding about this question and not take up a lot of the time of the house in discussing how and when we would do the business that it is our duty to do.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, it would be rather unfortunate if the time of the house were taken up in a lengthy debate on a problem such as this, but this is the type of thing that perhaps happens when pressure is put on a house unnecessarily. Despite the problems that face this parliament, we nevertheless must recognize the fact that on both sides of this house we now have more people who have had experience of government than was the case for 22 years. This parliament, in so far as the Liberal party and the Conservative party are concerned, is in a better position to settle problems such as the sitting hours of the house because on both sides we know the responsibilities of an opposition and the responsibilities that weigh upon a government. So there is no better time than this year, by consultation and agreement, to settle the method of conducting the affairs of this parliament.

I think it is rather unfortunate that the house leader has presented us with the motion for debate today without further consultation, and without amendment to that motion. In discharging our responsibilities as an opposition we recognize the fact, and have often stated, that we think the hours of sitting of the House of Commons should be extended. I have been of that opinion for many years. There we have agreement; we are in favour of extending the hours.

Then we come down to deciding how the hours should be extended. In this particular instance we have an alternative suggestion to make which I relayed to the house leader's office yesterday noon. I understand the objections to morning sittings. We found out from our experience on the government side that morning sittings are not the best by any means. Every hon. member realizes that with House of Commons committee work going on, morning sittings are awkward, so we agree with the house leader that morning sittings might be ruled out at the present time.

The house leader suggested that our proposal for meeting at two o'clock in the afternoon rather than 2.30 would not materially add to the conduct of the business of this house. With that I disagree. Meeting at two o'clock rather than 2.30 would add half an hour per day to our sittings, and that half hour would be used just as effectively as the half hour from 2.30 to 3, or, as it used to be in days gone by, from 3 to 3.30. So I do not see the value of his argument with regard to ruling out two o'clock as the time for assembly of this house.

The house leader bases a great deal of his argument on the fact that we still have before us four supply motions. He says that it is the government's intention to take these four supply motions during the next four weeks. This strikes me as quite unnecessary. There are nine weeks still available between now and the last week before Christmas, and supply motions are normally spread out and not crowded together one after the other. May I point out to the house leader that on some occasions in this house not all of the supply motions have been used. It has occurred on more than one occasion as the session has drawn to its close that the opposition has not made use of a supply motion. That is a consideration which might be before us in this particular parliament. I think it would be very unwise indeed to crowd in four supply motions in the next four weeks, rather than to get on with government legislation and spread out the supply motions over the next nine weeks. Four in a row would be, in my opinion, extremely bad.

The house leader is concerned at the passing of the estimates for this year. I pointed out the other day that in an election year, the calendar year in which an election occurs, the house should very properly telescope the time for consideration of estimates. That was done in the election year of 1953 and also in the election year of 1949. It was not done in the election year of 1957 or the election year of 1962. But that is where the opposition plays its part, and I was making the very co-operative suggestion that this year, an election year, the time spent on estimates might very well be shortened; and it lies within the hands of the opposition to do that very thing.

I had hoped that the house leader would have come half way with me on that. An opposition realizes its position when it makes an offer of that sort, and in the interests of the proper conduct of business I think this should be considered by oppositions which

have a responsibility to this parliament just the same as the people on the government side. Then again the official opposition party, in its turn, should be considering that it will form the government of the future, and parliament then continues by a proper method. So there is a responsibility on an official opposition which is not enjoyed perhaps by other groups on the opposition side of the house.

I am not entering into the controversy with regard to how estimates were dealt with in the calendar year 1957 and the calendar year 1962, which makes a full story in itself. But I am suggesting that for this year, an election year, as responsible people we might make some arrangement which will fit into the problem facing the house leader, and at the same time discharge our duty to the country. I think estimates should not be brushed to one side, as some people infer from the suggestion put before us, because there are people here who will argue that the primary duty of parliament when it assembles is to deal with supply, to conduct the business of the country; that the secondary duty—or if you do not want to put it as secondary it is certainly on the same level—is to concern itself with legislative matters. But there are many legislative items on the order paper which are simply amendments to acts now on the statute books, and it would be difficult to argue that some of those items are of the same pressing urgency as the passing of supply for the conduct of the business of this country. So estimates should not be just brushed to one side; they should be brought forward and dealt with, and dealt with quickly. There are people here who will argue effectively that the estimates for each year should be brought forward much more rapidly than they have been during the last ten years.

Now, Mr. Speaker, unless the house leader is prepared to let his motion stand and continue further consultations among the parties of this house, I will be obliged to move an amendment to this motion. I wait for a response from the house leader. If he is willing to let this stand and consult again with the various parties I will not move an amendment, and this debate might be terminated within 30 seconds.

Mr. Pickersgill: Perhaps the hon. gentleman would not mind indicating the kind of amendment he has in mind. I could not be expected to reach a conclusion without knowing what I was talking about.

Mr. Churchill: I am prepared to indicate that our suggestion will add not just five hours to the sitting hours, but five and a half. It will increase the weekly sittings from 25½ hours to 31, and it means adding half an hour each day at the opening of the house—that is to say, coming in here at two o'clock instead of 2.30 Monday through Friday —and shortening the dinner hour and coming back into the house at seven o'clock on Monday, Tuesday and Thursday. There are three hours there, so you have an addition of five and a half hours to the time that we engage in this house.

Then may I also point out that those of us who have been here a number of years know perfectly well that when we approach the end of a session the house generally agrees without formal motion to sit the extra hours which are required in the last two weeks, whether it is Wednesday night or Friday night or a Saturday. I am opposed to Saturday sittings as early as this in a session. We tried that out one year and it was a failure. But I am not opposed, and I do not think the members of the Conservative party are opposed, to sitting say on two Saturdays some time in December if that is necessary to pass some of the unfinished business. But all this can be arranged as the business of the house progresses. If it is not agreeable to the house leader to consult on this matter, I would therefore move that—

Mr. Pickersgill: I think the hon. gentleman should have an answer to his question before he puts the motion, and I am afraid the answer must be the answer I have already given; namely, that the government does not regard the half hour each day as being effectively half an hour, particularly as on Mondays and Tuesdays we would not be dealing with government business. The hour on Mondays and Tuesdays for the next four weeks, so long as we have supply motions, will not facilitate what we have in mind. Therefore I think the hon. gentleman should put his amendment.

Hon. Marcel Lambert (Edmonton West): Under the amendment which has been suggested a total of three and a half hours would be available to the government and a total of three hours would be of benefit to the opposition. In the light of the way this house is divided, surely the Secretary of State would agree that all the matters discussed in this house constitute public business. I would point out too that the opposition is, in a sense, under the gun, because there are to be four supply motions in a row, a situation which is altogether unprecedented. The hon. gentleman may shake his head, but I repeat that it is unprecedented to arrange our business in this way. I would hope, therefore, that the Secretary of State would see fit to accept the suggestion made by my hon. friend.

Mr. Pickersgill: I think the hon. gentleman might as well put his motion.

Extension of Hours of Sitting

Mr. Churchill: Then, to place the question formally before the house, I move, seconded by my hon. friend from Ontario:

That the motion be amended by striking out all the words after "that" and by substituting therefor the following:

The hours of sitting shall be as follows:
Monday, 2 p.m. to 6 p.m. and 7 p.m. to 10 p.m.
Tuesday, 2 p.m. to 6 p.m. and 7 p.m. to 10 p.m.
Wednesday, 2 p.m. to 6 p.m.
Thursday, 2 p.m. to 6 p.m. and 7 p.m. to 10 p.m.
Friday, 11 a.m. to 1 p.m. and 2 p.m. to 6 p.m.
And that in relation thereto the provision of standing order No. 6 shall be suspended.

Then I include the balance of the motion pertaining to the private members' hour on Wednesday.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we in this group have already intimated our intention to co-operate in the adoption of hours of sitting outlined in the motion.

An hon. Member: Naturally.

Mr. Patterson: Yes, naturally, because we have learned a few things even though members of the official opposition have not. We have indicated our readiness to co-operate because we are convinced that if this house is to discharge its responsibilities to the people of Canada there has to be some way of expediting the progress of business. We felt the suggestions which were made were such as to help us in the discharge of those responsibilities. We are prepared to carry through the commitment we made when the representatives of the parties met together.

A number of suggestions have since been made as to how the motion might be modified so as to make it more acceptable to everyone. Reference has been made to the four supply motions which it is proposed shall be discussed week by week. Opposition has been expressed to this arrangement because, it is stated, the motions are being crowded together when they ought to be spread out. However, I am sure every member who was here at the time realizes that last year they were spread out so far that we never did get to them. I am sure we do not want a repetition of what took place on the last occasion as far as the estimates are concerned.

The house leader of the official opposition party intimated that he and his colleagues had learned something while they were in office, that they did not believe morning sessions were beneficial. There are other things which perhaps they should have learned in that connection. But we are convinced that one of the important tasks before us is to get the business of the nation taken care of and the estimates passed, after due consideration, in order that we shall not find ourselves being asked to vote interim supply month by month until practically the whole year's estimates have been dealt with in this way.

Therefore we are prepared to support any action which would help us to accomplish the business before us.

Mr. T. C. Douglas (Burnaby-Coquitlam): I think we as members of the House of Commons ought to be concerned about the public image which we are projecting on the Canadian scene. I believe that in the eyes of the Canadian public we are making a ludicrous spectacle of parliament. Everyone knows the heavy agenda which still faces the House of Commons. Most of the departmental estimates have still to be dealt with and, in addition, there are vital pieces of legislation on the order paper. There are debates which ought to take place on public policies and public programs. In spite of all this we have spent at least half of the time since we reassembled on September 30 in carrying on a partisan wrangle as to whether it is the Liberals or Conservatives who are most responsible for the mess we are in. I submit that the people of Canada do not care how we got into the mess. They want to know how we are going to get out of it.

We in this party conceive it to be the duty of the opposition to scrutinize spending, to deal with the estimates, to examine legislation critically, and to offer alternative policies, and to do all this as expeditiously as possible. We do not deem it to be the function of the opposition to carry on a program of obstruction which would grind parliament to a halt so that the government is reduced to a state of impotence; for if the government is reduced to a state of impotence it reflects not only upon the government but upon parliament itself.

An hon. Member: A good speech to have made last year.

Mr. Douglas: Members of the Conservative party refer to last year, and I am prepared to agree that there was a program of obstruction carried on last year. I submit that this is precisely what is bedeviling the present session of parliament; the official opposition has spent most of its time fighting last year's battles instead of dealing with the problems which confront us today.

We in the New Democratic party are suggesting three things which we think might be done to expedite the business of this house. The first is that we pass the motion which has been presented by the Secretary of State.

The amendment which has been offered by the member for Winnipeg South Centre suggests an increase of five and a half hours a week in our sittings, three hours of which

will be used up in debating supply motions. This will do nothing to provide additional time for the transaction of government business. All it will do will be to enable a longer period of debate on motions of no confidence. We do not think the amendment will meet the siutation which confronts the house. It might be that modifications could be arrived at by agreement. However, I understand the house leaders have met and have done their very best to resolve the matter, without success; and as in my view the government's proposal is not unreasonable I think the house should accept it.

The second proposal this party wishes to place before the house is that we should give some consideration, for this session only, to dispensing with two of the supply motions. There are four remaining, and if the Leader of the Opposition is correctly reported in the press he has said he intends to move no confidence amendments to all four of these supply motions. This means that two days out of every week for the next four weeks will be spent debating these no confidence motions. Forty per cent of the time will go in debating no confidence motions.

In a normal session of parliament I certainly would fight very hard for the retention of the maximum amount of time the opposition is allowed to move motions of no confidence and to censure the government where they think that is necessary, but with the tremendous program before the house now and all the things we have to do in the very limited period of time remaining we would be prepared to forgo two of these supply motion debates. If there is not general agreement on that, could we agree to limiting the debate on each supply motion to one day, having one or two speakers from each of the major parties and one from each of the smaller parties and confining the debate on these supply motions to one day each? This would give us another four days which could be devoted to public business.

I noticed that the hon. member for Winnipeg South Centre objected to the idea of calling four supply motions one right after the other, yet at the same time he is crying for the estimates to be discussed. He cannot have it both ways, and I think the sooner the departments are opened up, the sooner we get a chance to express our opinions on these various departmental estimates and to ask the government questions, the better it will be.

The third suggestion I wish to make is one I indicated yesterday. I should like to see us agree to proceed with the motion now on the order paper to set up the parliamentary committee to review the procedures of the house, and do so either without debate or with agreement among the parties to restrict the debate to one or two speakers from each party. I think it is imperative that this committee be set up with the least possible delay.

One reason we are in difficulty in this parliament, as we were in the last one, is the fact that we are operating under procedures which were established to meet the pace of the Victorian era and not to cope with the tremendous volume of business confronting us in this modern age. When I first entered the House of Commons government expenditures were a little over $500 million. Today they are twelve times that amount. There are a great many more departments and a great many more programs than there were then, and we are going to have to revise the procedures of the house if we are going to carry on public business with efficiency and dispatch.

Therefore we suggest these three things; that we accept the motion, pass it and get down to business; that the house leaders or, if necessary, the party leaders consider cutting down the remaining supply motions to two for this session only, or restricting the debate to one day if that can be arranged; and that we set up the parliamentary committee to review the procedures of the house, either without debate or with a very limited period of debate.

I am convinced that if we do these three things we can carry on the public business of Canada with efficiency and dispatch. What is equally important, we can convey to the people of Canada the impression, which they do not now have, that we are serious about making parliamentary government effective and efficient.

[*Translation*]

Mr. Speaker: With the usual reservations, I recognize the hon. member for Lapointe (Mr. Gregoire).

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, we are prepared to accept the suggestions made by the Secretary of State (Mr. Pickersgill) to extend the hours of sitting so that we can at least accomplish something in the house.

I shall not labour the point because I think that just about everything has been said on the matter. But I would have another suggestion to make to the Secretary of State.

I note that we are asked to give up the Wednesday hour which is usually reserved for notices of motions and public bills, that is bills brought before the house by hon. members. We see no objection to giving up another hour each week to expedite the business of the house, but we should like that hour to be taken on another day than

Wednesday because that is the day for consideration of private bills. For instance, there is the bill concerning the Allstate which was first discussed on a Thursday, then brought back on a Wednesday and taken up once again on another Wednesday, to be finally postponed until the end of the session. And when, at the end of the session, we come back to that Allstate bill and the one concerning the Pharmacy Board of Canada, there will be another hour completely lost.

I would therefore ask the Secretary of State to consider the possibility of cutting out the hour for private bills rather than the one for public bills.

If the Secretary of State is prepared to accept that suggestion, we would be ready to co-operate and to accept the extension of the hours of sitting so that we can pass the legislation now before the house. It is not that we care to pass that income tax legislation, for we would rather not have it on the order paper and we would prefer another legislation. But so that we can go on with the ordinary business, we are prepared to accept the motion to extend the hours of sitting.

[*Text*]

Mr. Pickersgill: Mr. Speaker, I do not think I can make a snap judgment on this request, but I would be glad to discuss it in the usual way; and if there was general agreement that some other day than Wednesday would be preferable to the house, it would not matter very much to the government. The hon. member for Winnipeg South Centre did make the suggestion because Wednesday is a very short day, and it really means that by the time we have dealt with questions and motions for papers there is very little time for anything else. From the government's point of view it really is the most convenient day, but I do not rule out the possibility of its being exchanged for some other day if all hon. members would prefer it.

Mr. Knowles: Is not that point a very simple one to take care of? The order of priority as between Tuesday and Wednesday could be switched by agreement, and the point could be readily met.

Mr. Pickersgill: I am sure the point could be met in one way or another.

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

Mr. Terry Nugent (Edmonton-Strathcona): Mr. Speaker, I think the suggestion made by the house leader of the official opposition that this debate be adjourned showed considerable merit as I listened to subsequent speakers. It is obvious that everyone in the house is ready to co-operate by accepting longer hours, but the question of what those hours should be has not been settled. From what has been said it would seem that the problem is one that can be worked out through consultation.

I should like to point out to the house something no one else has commented on, the fact that the longest hours are at the tail end of the week. It seems to me that if we expect to get a lot of work done, the best time to do that work is when we are fresh after a rest on the week end. Logically Monday, Tuesday and Wednesday would be the best time. No other day has as many working hours as are now proposed for Friday. If I have a chance to go home on a week end, which I have not as yet, I should like to be able to leave at noon on Friday so I can get home by Friday night. If these hours are adopted I must miss a full day's sitting to do so.

I suggest that the house seriously consider adjourning this debate and try once more to work out hours that are agreeable to all parties. There is nothing so sacred about the rules that we cannot change the days for government business. The situation in respect of the supply motions could be discussed. I should like to see these suggestions discussed, bearing in mind the fact that the most important point is already agreed upon, namely that we would all like to sit longer hours. Why can we not work out a sensible agreement? I do not think this one is sensible.

Mr. Speaker: The question is on the amendment to the main motion. All those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some hon. Members: Nay.

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

Mr. Churchill: On division.

Amendment (Mr. Churchill) negatived, on division.

Mr. Speaker: The question now is on the main motion. Shall the motion carry?

Mr. Churchill: On division.

Motion agreed to on division.

PRIVILEGES AND ELECTIONS

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

Mr. Alexis Caron (Hull) moved:

That the second report of the standing committee on privileges and elections, presented to this house on Wednesday, October 9, 1963, be now concurred in.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I rise on behalf of the New Democratic party to register our opposition to the motion for concurrence in the second report of the standing committee on privileges and elections.

There are three things which I wish to make very clear at the outset of my remarks. First, I wish to make it clear that at the conclusion of my remarks I shall move an amendment. My amendment will be in the form that is provided in connection with committee reports. The gist of it will be that the house should instruct the committee to reconsider the matter and make another recommendation proposing that the members of groups on this side of the house, other than those in the official opposition, be seated in the house according to the numerical strength of the groups to which they belong. I shall develop that proposal later, but I just wish to make it clear that that is the position we in this party take.

The second point I wish to make clear, although I am sure it must already be very obvious, is that we in the New Democratic party have nothing whatever to gain by our opposition to the motion for concurrence. We have nothing whatever to gain by the terms of the amendment I shall move. The committee's report recommends that our party be moved up in this house to a position alongside the official opposition. I say, therefore, we have nothing to gain. As a matter of fact, if as a result of our debating this motion it were, in the end, to be defeated, we would have something to lose. It must be clear, therefore, that we are taking the stand we do on the basis of principle.

The third thing I wish to say, Mr. Speaker, is that our stand has nothing to do with whether we like or dislike any member or any group of members in this house. This does not matter one iota. I confess that having sat alongside the members of the Social Credit group, speaking of them in their totality, I have come to feel, if I may be so presumptuous as to say so, that a member like the hon. member for Lake St. John (Mr. Lessard) is the type of member we like to have in this house. He is making a good contribution. I do not stop there. I like the hon. member for Labelle (Mr. Girouard). I like the hon. member for Rimouski (Mr. Ouellet).

Some hon. Members: Oh, oh.

Mr. Knowles: I must say at the same time, Mr. Speaker, that I do not like the tactics of the hon. member for Villeneuve (Mr. Caouette). I do not like the threats he has made to the House of Commons and to parliament. There are times when I do not like the tactics of the hon. member for Lapointe (Mr. Gregoire). I do enjoy the way he moves out in front when he speaks, and sometimes I think that with a little push he would be over on the other side of the house. I do not need to go over the whole list of these members to indicate those I like or dislike. The point I am making is that our decision has nothing to do with whether we like or dislike individual members, whether we like or dislike a particular group. There are members in this house who do not like me.

Some hon. Members: Oh, oh.

Mr. Knowles: They think I am a nuisance in the House of Commons.

Some hon. Members: Hear, hear.

Mr. Knowles: I gather that there is fairly general support for that proposition. However, the fact is that I was elected. I am here, and I have my rights. The 13 members who now say that they are supporters of the hon. member for Villeneuve were elected as members of the House of Commons. They were elected just as clearly as was the hon. member for Algoma East (Mr. Pearson) or the hon. member for Prince Albert (Mr. Diefenbaker) or any of the other hon. members who are here. They have their rights. We must consider a matter such as that which is now before us, not on the basis of what we think about members or what we think about parties, but on the basis of what is the correct thing for us to do.

Now, Mr. Speaker, the question which has arisen results from the fact that a group of members who, when the house met in May, were united, has fallen into two sections or two units. As a result, before we came back on September 30, a request was made to Your Honour by each of these groups to be recognized and seated as a group. This matter, at Your Honour's suggestion, was referred to the standing committee on privileges and elections.

In my submission the only issue that faced us, the only issue that was really before the standing committee on privileges and elections, was the question of the seating arrangements in this House of Commons. I think the standing committee has gone completely off base by going into the area of making a decision as to what parties are to be recognized in this house, and what party or parties are not to be recognized. In totalitarian states the governments, the majorities, decide what parties are official and what parties are not official, but in no free democracy has any parliamentary majority or government the say as to what party is official and what party is to be recognized.

The aspect which strikes me as offensive about the report, concurrence in which has been moved, is that it seems to imply that the New Democratic party is to be recognized as such, and that the Social Credit party is to be recognized as such. In the case of these two groups we wish that recognition; but then the report says that the other 13 hon. members, who say they wish to be known by a certain name and to be recognized as such, are not to be given the same treatment and consideration as is given to other groups in the house. They are referred to in the report not by any name they themselves have chosen but as a group of members under the leadership of the hon. member for Villeneuve, and although they are referred to as a collection in that way, they are treated as second class in that the report says that the question of their privileges should be studied by an officer of the House of Commons, who in turn should report to Your Honour.

I think there is a lot that is wrong with that fourth part of the report, and even if the house does not accept the amendment I propose I hope it will delete that fourth part. The two main things wrong with it are that it refers to an officer of the house a matter that, if it is to be decided at all, should be decided by Your Honour, and second that it makes a distinction between groups in the House of Commons. It says two of the smaller parties in the house have a right to certain recognition and a right to the names they chose, but the third smaller party in the house is in a second class position.

I stress the point that we do not like it when we hear of countries in other parts of the world where a government declares a certain party is not to be allowed or is not official. We have not liked it in the history of the past when in some countries certain parties have been eliminated from the state altogether. We are not doing that. No one is denying the right of these 13 members to be in the house. They cannot be denied that right under our free democratic system; but to take a step in that direction, when a majority of the committee or a majority of the house makes a decision, when it puts it on the record of the house that first one party is official and has its place, that another party is official and has its place in the house, but that a third group does not have the same rights and that its privileges must be referred to someone for study, I submit that in principle this is dangerous, and that it establishes a precedent that could come back to haunt us in the days that lie ahead.

In our *Hansard* every Wednesday we have a list appended thereto of the members of the House of Commons, and at the end of each line is the party designation that a member chooses. The names are there, and it has never been submitted to a vote of the house as to whether members have the right to have their party designation as they wish it. Why, we even have one member of the cabinet, and we understand it is a Liberal government that is in power, whose party designation in every Wednesday's *Hansard* differs from that of all others on that side of the house. He is the Minister of Mines and Technical Surveys. Has it ever been submitted to a decision of the house whether he can call himself Liberal-Labour rather than Liberal?

The fact is that across the years each party in the house has changed its name at one time or another. That goes for all of us.

Some hon. Members: Oh, oh.

Mr. Knowles: Yes; read the Parliamentary Guide. You will find there was a day when the Liberal party was known as the Laurier Liberals and at times they were the Liberal Progressives. The Conservatives were Liberal Conservatives, Progressive Conservatives and National Conservatives. We all have had our different names but, Mr. Speaker, no party has ever had to get approval by parliament of its name or its status.

We come here as individual members elected to represent our constituencies. I recall the debate which we had on a bill introduced by the former member for Wetaskiwin, Mr. Thomas, calling for the party names to be put on the ballots at election time, and the suggestion was that it be done merely for identification purposes. Some of us supported that bill but the overwhelming majority, the Liberals and the Conservatives, opposed it, using mainly the argument that men and women get elected not as candidates of a party but as members who on being elected represent the whole of a constituency, and that when they came to parliament they should be free to exercise their judgment as to where they sit and what they support. The question of what hon. members do is left to the individual hon. member.

I assert that it will be a sorry day if, by a majority vote of this house, we say certain parties are official and that one party is not official and is not to be recognized. The Liberal party has never been voted on by the House of Commons, either as to its name or as to its status as a party. This has never been done for the Conservative party either. The Conservative party never had to submit its constitution to parliament and never had to prove that its leader was properly elected. We never had to do that in the days of the C.C.F., nor have we had to do so as New Democrats.

We do not want a motion passed that parliament recognizes us. We do not need the recognition of a majority of the house. That could be given one day and taken away the next. We are a free party in a free country, in a country that emphasizes the principles of political democracy, and we will take a wrong step if we approve what is in the motion before the house at this time.

I stress the point that this has nothing to do with what advantage we gain from it. We have nothing to gain by opposing this motion. It has nothing to do with which members of which group in the Social Credit aggregation that we favour. We think the basic principle, of whether or not a majority decides that a party is official or not official, is a very serious matter.

I know that some will say there are various precedents from the past to look at it in this respect. I myself pointed out on September 30, when I first raised the point of privilege, that in 1935 and 1940 the C.C.F. groups in those parliaments were seated ahead of the Social Credit groups of those days, despite the fact that Social Credit had more members in each of those parliaments. I indicated on the basis of that precedent that I had contended in 1962 that it should be followed in our case at that time. That was refused. The house accepted the decision of Mr. Speaker Michener, confirmed by Mr. Speaker Lambert, that the numerical strength was the point that counted.

If I may review the previous instances, it is true that there are at least three instances when parties smaller in size sat higher than larger parties. There were the two cases I have just now referred to, when the C.C.F. party sat ahead of the Social Crediters. The other interesting case in history was in the 1921-25 parliament, when the Conservatives had fewer members than the Progressives and yet were the official opposition.

In all three of these cases, where smaller groups sat ahead of the larger groups, there was no contesting of the matter. In no case did the larger group contest the right of the smaller group. In the 1921 case the larger group did not want the position of official opposition, but in all cases where a larger group has asserted its right to be seated ahead of the smaller group it has been accepted, as happened in 1962 and 1963 when the Social Crediters were seated ahead of us. However, I repeat that in 1962 we established the principle that numerical strength is what counts.

I would say we were making a mistake if we were to change that principle and go back to the other one, back to the principle of history or what have you; but what this report does is even worse. This report is based on both principles. It seats the New Democratic party first among three smaller parties because it has the larger number, because we have 17 members and the other groups have 13 and 11 respectively; but having started with that principle it changes in midstream and seats 11 members ahead of 13 members, on the argument that the 11 members presented themselves to the electorate as a party in the election of 1963, and on the contention that the others did not do so.

I ask hon. members, where in the elections act is there anything that says parties present themselves to the people as such? I ask hon. members, where in the Senate and House of Commons Act, or in the British North America Act, or in Beauchesne or standing orders is there anything to support the contention that there is some point on the basis upon which people are presented to the electorate at election times? We come here as individuals. We come here free to move about. In most parliaments an individual here or there changes from one party to another. There have been changes of government. For example, in the 1926 parliament a government was defeated and another party moved over and formed the government. There were changes during the first world war. Parliament is not confined to the situation that obtains on any day; it consists of individual members of parliament who have the right to use their best judgment as to whom they should support and whom they should oppose.

It seems to me, therefore, that on principle there is no question about what we should do; that is, stick with the question of numerical strength which was accepted in the last parliament and in this one, and which has always been accepted whenever a larger group contended that it should be seated above a smaller group. Mr. Speaker, there are some—

Mr. Speaker: Order. May I interrupt for just a moment. I have the greatest difficulty in hearing the hon. member up here, and I wonder whether hon. members could carry on their conversations outside rather than inside the chamber.

Mr. Knowles: Mr. Speaker, some hon. members and some people have asked questions about this in the newspapers. They are wondering about the $4,000 that was provided for in the bill of last July for leaders of parties, other than the official opposition, having 12 or more recognized members in the house. This section of that act has been quoted by some people as defining a party. I do not think it does anything of the kind. It merely gives a definition with respect to

the person who shall receive this extra $4,000.

I think it is rather unfortunate that this should confuse the issue. But I would like to point out that any suggestion now being made that a person cannot receive that extra allowance unless he presented himself to the electorate at election time as the leader of a group going to come into the house raises the question of what happened in the parliament of 1940 to 1945. Dr. Manion was the leader of the Conservative party in that election. He lost his seat. When the party came into the house it chose Hon. R. B. Hanson to be its house leader. He was not chosen at a party convention; he had not presented himself to the electorate as the leader of the official opposition. He was chosen by his group in the house as their leader, and he drew the salary of the leader of the official opposition. In 1942 he resigned from that position and the Conservative group in the house—and some of them are still here—chose the late Gordon Graydon to be their house leader. Having been elected by the majority of his group in the house, the largest group on the opposition side, he drew his salary as leader of the official opposition.

I suggest that to argue now that because the hon. member for Villeneuve was not the leader of the party at election time he therefore cannot be so considered is really trying to twist the statute to make it read the way one wants it to read. Maybe there are legal arguments as to why he is not entitled to the $4,000, but surely that is a matter for the courts to decide. We have passed a statute. We do not interpret our own statutes; I do not think that is up to us at all. I think, if I may say so, that is one point I was able to make before the committee on privileges and elections. It was agreed there that we had nothing to decide about that matter. I only mention it because it has come into the argument. But I suggest the point that should be considered is the position that obtained in the 1940 to 1945 parliament.

As I have already said, although some may wonder why I am stressing the point, we have nothing to gain by pressing this amendment, because the report if adopted moves us up next to the official opposition and if my amendment carries, so far as we are concerned there will be the same result. Therefore we are not grinding our own axe; we have nothing to gain. Neither are we defending the principles of those who follow the hon. member for Villeneuve because of any sympathy for their policies. We do not believe in them; everybody knows that. I have already indicated any likes or dislikes I might personally have, but I think it is that sort of thing we have to put aside.

[Mr. Knowles.]

I address my appeal particularly to the members on the Liberal side of the house and I ask them to face up to the position they find themselves in because of this motion. Here is a division of opinion between the 11 members of the Social Credit party, whose recognized leader is the hon. member for Red Deer, and the 13 members of the Ralliement des Creditistes, whose leader is the hon. member for Villeneuve. Here is a division between them as to which group should be seated closer to the Speaker, the 11 or the 13. One group will vote for itself, the other group will vote for itself. It is how the Liberals vote that will determine the issue. It does not matter how the Conservatives and New Democratic party vote; we cannot affect the issue; we will be outnumbered by the Liberals and either Social Credit group. Whether we vote one way or the other, it is the Liberal vote that will determine the outcome of this issue.

This means that in this House of Commons —as was the case in the committee on privileges and elections—the Liberal party will be making the decision as to which of these two parties comes ahead of the other.

Some hon. Members: Hear, hear.

Mr. Knowles: If a decision is made that 11 take priority over 13, it will be the Liberals who make the decision; it will be the Liberals who will have to defend it; it will be the Liberals who will have to give the country the rationalization for that decision. It will take on the appearance of the Liberals having wanted it a certain way and therefore just finding the arguments or reasons to do it. So I urge very strongly, Mr. Speaker, that the house consider the seriousness of this question. It is not just this group of members, because they may all be out after the next election.

Some hon. Members: Hear, hear.

Mr. Knowles: Some of us might even hope they are defeated at the next election, but this kind of treatment will not defeat them. This kind of treatment, if given to their representatives in this house, will make them heroes, will make them martyrs back where they come from and might cause them to come back here in larger numbers after the next election than they have now.

Apart from that, I contend that the crucial thing we are dealing with today is whether in our kind of parliamentary democracy, in our kind of free society, it lies with any government or any majority of the House of Commons to make a decision which says that certain parties are official and a certain group which wishes to be known as a party is not official.

We went into all the history and the story of the Granby convention in the committee on privileges and elections. We went back into the origins of the Ralliement des creditistes and the origins of the Social Credit party, but I think this is irrelevant. Here we have a simple situation. We have three smaller parties, 17, 13 and 11 in numbers, each of which is claiming a position according to its numerical strength; and any attempt to alter that numerical strength is, I suggest, pushing things around the way one wants them for some unexplained, undeclared reason.

As the hon. member for Burnaby-Coquitlam said a short time ago on another matter, this would not be good for parliament as a whole. We need to be concerned about the image parliament is projecting to the country at this time. I do not think it would improve the image we are projecting if parliament by its majority decided that 11 was more than 13, and that the 13 are not to have the privileges accorded to the others. This would not be good for the reputation of parliament.

Therefore, Mr. Speaker, I move, seconded by the hon. member for Greenwood (Mr. Brewin):

That the second report of the committee on privileges and elections be not now concurred in but that it be referred back to the said committee with instruction to amend it so as to recommend that members of the opposition who belong to groups other than the official opposition be seated in the House of Commons according to the numerical strength of their respective groups.

Mr. Speaker, you will notice that that amendment says nothing at all about recognition of groups. We do not need to be recognized by a vote of the House of Commons, any more than do the Liberals or Conservatives. Neither does the Social Credit party nor the Ralliement des creditistes. The amendment deals with the only thing which, in my view, we have the right to deal with, which is a procedural arrangement—the arrangement of the seating of members of this House of Commons. I think this amendment avoids the pitfall which is in the main motion, and I earnestly hope the house will give serious consideration to it.

I know that in the standing committee on privileges and elections when I moved a similar amendment it was defeated overwhelmingly. The only people voting for it were the members of the New Democratic party and the representative of the Ralliement des creditistes; the others voted the other way. But in the meantime this matter has been discussed in the public press. There have been editorials on it, and I think even some members of the committee have had second thoughts. I hope we will avoid taking a step which just seems to be doing what certain people want to be done, and that we will accept the principle we accepted in 1962 and again this year, which is that members are seated as far as their parties are concerned according to their party's numerical strength. Let us stay with this principle that we are here as members of parliament representing our constituencies. Nobody has the right to say whether or not our parties are official. Party affiliation is the right of each individual member. If the Liberals wish to be Liberals, let them be Liberals. If the Conservatives wish to be Conservatives, let them have that status. We are the New Democratic party, and there are 11 members who wish to be known as the Social Credit party, and that is their right. There are 13 members who wish to be known as the Ralliement des creditistes, and I suggest that all we have to do, all we have the right to do, is to decide the seating order. That is the purpose of the amendment I have moved, and which I ask the house to support.

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I do not believe I have to represent the views of the official Social Credit party before the house in these few remarks. Even if I tried to make believe that I have nothing to gain by supporting the second report of the committee on privileges and elections people would not believe me as easily as they would the hon. member for Winnipeg North Centre (Mr. Knowles). But I believe that in concluding his remarks, he said that his action was not motivated by thoughts as noble as those which could motivate the stand I took or will take, for he simply told us that he does want the group led by the hon. member for Villeneuve (Mr. Caouette) to be recognized, because he is afraid that they may be re-elected at the next election, should they not be recognized now.

This is not our attitude. Our attitude is based on facts and legality.

When the hon. member for Winnipeg North Centre talks for instance of the status of the Minister of Mines and Technical Surveys (Mr. Benidickson), I believe that he forgets to replace the facts within the time context.

The Minister of Mines and Technical Surveys was elected under a Liberal-Labour ticket, not under a Ralliement des creditistes ticket, and that is why he has a right to use the epithet "Liberal-Labour". But such is not the case of the supporters of the hon. member for Villeneuve, for they have not been elected under Ralliement des creditistes ticket.

In this whole situation, we must replace the facts within their time context. We

believe that the followers of the hon. member for Villeneuve cannot be recognized as a party because they were not elected as such; they were elected under a National Social Credit ticket. Now, after the election, they decided to withdraw from the Social Credit party, and in my opinion, they must be recognized as independents.

But I believe we could show our good will by accepting the report from the committee on privileges and elections, and particularly clause 4 of that report which states that the question of the privileges to be enjoyed by the group under the leadership of the hon. member for Villeneuve be referred to the parliamentary counsel of the House of Commons for study and report to the Speaker.

I think that is being remarkably generous toward the 12 hon. members who are following the hon. member for Villeneuve, because never was so much importance given to independents who, at a certain moment, cease to be so independent by grouping themselves under a leader.

Mr. Speaker, I do not believe the house can take a decision on the amendment proposed by the member for Winnipeg North Centre who, as a matter of fact, said he was not satisfied with the representations his party made before the committee on privileges and elections. Indeed, he felt so unsatisfied that now he would like to have his own point of view recognized by the house.

I feel that is not a normal procedure because, when the committee met, he had a chance to express his opinion, which was rejected through a vote, and now he would like to refer the decision back to the committee. But the committee's meetings are over and the matter has been held up long enough already.

In order to be able in the light of past events to appreciate on its true merit the action taken by the 13 members by leaving the national Social Credit party, it is imperative to recall the facts which resulted in this split.

Last June, at the meeting of the national executive of the Social Credit party, the executive had tried to abolish the position of Social Credit co-leader without referring the matter to the national convention of the Social Credit party.

At that time, I objected in all sincerity to such an action being taken, even by the national executive of the party, because it had no right to amend the constitution without consulting the national convention. I decided then to support the Social Credit co-leader who is now the leader of the Ralliement des creditistes.

However, Mr. Speaker, the step taken by the national council filled the deputy leader with a spirit of revenge which was obvious at the Granby convention when he decided to do himself justice and even to abolish the position—

Mr. Gregoire: Mr. Speaker, I rise on a point of order. The hon. member for Sherbrooke (Mr. Chapdelaine) is no different from any of us. In my opinion, he is out of order when he casts suspicion on the intentions of the hon. member for Villeneuve.

Mr. Chapdelaine: I do not doubt the intentions; I am merely stating facts.

What occurred was bound to happen. The leader of the Ralliement des creditistes—

Mr. Belanger: On a point of order, Mr. Speaker—

Mr. Chapdelaine: —who then obtained a—

Mr. Belanger: In my opinion, the hon. member for Sherbrooke should restrict his remarks to the matter now under discussion. The reason why we separated and chose a new leader is no business of the house at all and has nothing to do with the decision to be made.

The matter to be settled is whether we are entitled to be recognized as third or fourth party and not why we chose a new leader. Since this matter is one of internal administration within a political party, I suggest that you ask the hon. member to confine himself to the question under discussion.

Mr. Chapdelaine: Mr. Speaker, I stated at the outset that I wanted to throw as much light as possible on the matter in order to dispel any doubts this house might still entertain. That is precisely what I am doing at the moment, and it leads me to examine the rights of this group. The status of the 13 members who abandoned the national Social Credit party is exactly along the line I have taken to enlighten the house.

Mr. Speaker, during the Granby convention, when the decision to separate was taken, it seems to me that the intentions of the national party were stated clearly and unequivocally in a press release which reads as follows:

[*Text*]

Released by Martin Kelin, national president of the Social Credit Association of Canada.

It is apparent from the speeches and resolutions at the Granby convention of Le Ralliement des Creditistes as led by Mr. Real Caouette that Le Ralliement no longer desires affiliation with the Social Credit Association of Canada. This is underlined by the fact that they have rejected the duly elected leader, Mr. Robert Thompson, who was confirmed in his capacity as leader by the national executive less than two months ago. In addition to this Le Ralliement has never seen fit to pay their affiliation fee as demanded by the constitution of

the Social Credit Association, as other provinces have done.

The association, recognizing their desire not to be affiliated with the Social Credit movement in Canada, accepts the wish to resign of Mr. Caouette and his followers.

The Social Credit Association of Canada believes that there are farsighted, sound thinking people in the province of Quebec who would like to be linked with the association across Canada. We invite these people to seek affiliation with us, along with the Quebec M.P.'s who have indicated their support of Mr. Thompson as leader, and the principles for which he stands.

[*Translation*]

Mr. Speaker, thus we see quite clearly that the decision taken by the 13 members, along with the member for Villeneuve, was at that time accepted by the national party as a decision not affecting in any way the status of the Social Credit party. That is precisely the understanding given by the hon. member for Lapointe (Mr. Gregoire) who, during the sittings of the committee on privileges and elections, stated at first that a new party had been formed, while, a few moments later, he said that it was still the same party which remained within the framework of the greater Social Credit party, the Ralliement des creditistes.

And to corroborate these assertions, let me quote a number of statements made by the hon. member for Lapointe during the sittings of the committee on privileges and elections. They show up to what point, when the decision was taken, it was the intention of the Ralliement des creditistes to leave the national party, and how that idea was without foundation and rather vague as to their right to come to such a decision.

Let us take note of the statements made by Mr. Caouette, especially the letter which Mr. Gregoire sent you on September 9, and which reads as follows:

I hereby wish to inform you that the Social Credit party has chosen a new leader, Mr. Real Caouette, member for the riding of Villeneuve.

While in the letter sent to you on September 30 it is written that the annual convention held at Granby had reached that decision with 1,500 delegates taking part in the proceedings, here it is said that it is not the convention of the Social Credit party but the creation of a new party.

Now, Mr. Speaker, how shall we see through all that confusion, when the leader of the Ralliement des creditistes himself admits, in his letter, that he wants to set up a future party and that, in the next election, he will have candidates in all the provinces of this country, in order that his party may be recognized as a national party. He admits it himself since he now has members only in the province of Quebec. Moreover, he claims just the same that his party is a national party.

Mr. Speaker, allow me to refer to page 56 of the report of the committee on privileges and elections, to Mr. Gregoire's statements—

Mr. Gregoire: You could at least say: the member for Lapointe.

Mr. Chapdelaine: —to the effect that they had not dropped out of the national Social Credit party, but that we, the members of the national Social Credit, had withdrawn from their party. I quote:

If they have decided to withdraw, this indicates a second distinct group. I have also mentioned this in the following paragraph: "We wish to point out also that, as Mr. Real Caouette is the leader of the larger group..." This implies two distinct groups.

As for knowing whether this is a new party or an old party, I can tell you that the Ralliement des creditistes was registered in superior court at Montreal early in June 1958 and that it is only at a later date that it became a member of the Canadian national association.

Let us look now, Mr. Speaker, at this precious document, which bears number 110PS. It reads:

I, the undersigned, Gilbert Rondeau, accountant, domiciled and residing at St. Cesaire, Rouville county, province of Quebec, declare the following:

(1) I have my home and residence in St. Cesaire, Rouville county, St. Hyacinthe District, province of Quebec;

(2) I am an accountant;

(3) I am of age and married to Monique Viens, my first wife, who is also of age and is still living;

(4) I am married under the separate maintenance system by virtue of a marriage contract passed before Mr. Maurice Cloutier, notary public, practising in St. Ours, county of Richelieu, and now practising in Sorel, district of Richelieu, the said marriage contract having been passed some two days prior to the day of my wedding, which took place on August 16, 1952;

(5) I intend to do business alone in Montreal, said district, as well as in the province of Quebec, under the name and style of "Ralliement des créditistes":

Mr. Speaker, I should like to call the attention of the house to the words "in the province of Quebec".

I continue:

(6) The business operations will consist in buying and selling Social Credit leaflets, booklets and newspapers as well as all other means or media of publicity;

(7) My main place of business or headquarters will be in Pont-Viau, county of Laval, Montreal district, at 482 Cousineau St.

(8) I do business alone under that name.

This, Mr. Speaker, is what we learn from the hon. member for Lapointe's evidence to the effect that the Ralliement des creditistes is a party founded since 1958, with exactly the same legal standing in Canada as the national Social Credit party.

Before going any further in this, I wish—

Mr. Robert Beaule (Quebec East): May I ask the hon. member a question?

Mr. Chapdelaine: When I have completed my remarks.

Mr. Speaker, before pursuing this line, I should like to call the attention of the house to the official constitution of the national Social Credit party. And I was saying a minute ago, this constitution can be changed only when a national convention is held. Now, as the hon. member for Lapointe alleged in his testimony that the Granby convention was a national convention, I wish to quote some articles from our constitution concerning notification of a national convention.

A national convention shall be held every four years or more often, as may be decided by the national council.

The convention shall meet at a time and a place determined by the national council, but a three months' notice, announcing the date and place, shall be given to affiliated organizations and to members in general where there is no provincial organization.

Mr. Speaker, this procedure was not followed, since nobody from the other provinces was invited to the said Granby convention, in order that the said convention might become a national convention, and even Social Credit members living in provinces other than Quebec were not invited.

Consequently, the national convention in Granby had no authority whatever to change the status of the national leader of the Social Credit party, which leader, as is so well prescribed in our regulations and constitution, must be chosen only at a national convention.

Mr. Speaker, I wish to quote other excerpts from the testimony of the member for Lapointe, and this to prove how much he could contradict himself in such a short time. At a certain moment, the hon. member for Lapointe said:

The group, Ralliement des creditistes, having chosen a new leader, it is a fraction of Social Credit which withdrew from the main group.

And this, after having said in his testimony that we had withdrawn and not they.

Whom should we believe, in the circumstance? How is it possible to believe the statements of the hon. member for Lapointe, who never stops contradicting himself each time he is confronted with the facts.

On the other hand, the hon. member for Lapointe duly recognizes Mr. Thompson as the leader of the Social Credit party. In order to justify his stand he stated:

Mr. Thompson came only once to the province of Quebec to speak about the deepening of the Matapedia river.

And as I said earlier, he did not come to my riding during the last election campaign, nor did he go to any other riding of the province of Quebec, except to start off the campaign, and all along our campaign we referred to Real Caouette as leader of the Ralliement des creditistes and deputy leader of the national party.

[Mr. Beaule.]

A little further on, the hon. member for Lapointe admits that the Social Credit campaign during the last election was on a national basis and that candidates campaigned under the heading of the Social Credit national party and not under that of the Ralliement des creditistes, in order to get elected.

Most important, Mr. Speaker, is the fact that if the members belonging to the group of the hon. member for Villeneuve (Mr. Caouette) think that they can, after an election where they were elected under one name, change that name, I think that would be misrepresentation before the electorate.

In fact, if we reduce the argument ad absurdum, we could say that, in 1958, if the party in power, the Conservative party, had decided to divide into two groups after the election, that is 140 members in power and 68 in the official opposition, we would have had an intolerable situation where the Conservative party would have acted at the same time as the party in power and as the official opposition.

Moreover, if the communists, against all probability, infiltrated into various political parties and succeeded in having a sufficient number of members elected under the name of various parties, and then, immediately after the election, declared themselves as communists and decided to set up a party with enough membership to make up the party in power, we would have a ridiculous situation where we would find ourselves, the day after a general election, living in a communist country without having voted for the communist party.

Mr. Speaker, I admit that this argument is made ad absurdum but I must say that those absurd things could happen if, today, we recognize the group under the hon. member for Villeneuve as a party officially recognized in the house and enjoying the same privileges as any recognized party in the house.

Mr. Speaker, to illustrate the feelings of the members belonging to the group of the hon. member for Villeneuve, and more particularly the feelings of the hon. member for Lapointe concerning that question, and to show how lightly the hon. member for Lapointe dealt with that matter in the evidence he gave before the committee of privileges and elections, I should like to quote a question put to him by the hon. member for Montreal-St. Lawrence-St. George. Here it is:

Mr. Turner: When the delegates were selected for that convention, they had not been selected to elect a new leader or to form a new party?

Mr. Gregoire: Not necessarily, no—

Mr. Turner: At that convention were there any delegates from outside the limits of the province of Quebec?

Mr. Gregoire: There were some delegates from Ontario and New Brunswick but they had no right to vote.

And a little further the hon. member for Lapointe stated:

In all sincerity and in all honesty, I could not say whether they were invited or not, I think so, but I cannot give any assurance. Mr. Leboe who is here could say whether they had been invited. In any case, we had a quorum.

And the evidence given by the hon. member for Lapointe follows along the same line, while he was trying to justify the stand taken by the members of the group led by the hon. member for Villeneuve. After talking about the number of members elected in Alberta under the national Social Credit ticket the same as in British Columbia and Quebec, and in view of the fact that the number of federal members elected in the western provinces was much too small from a national standpoint, the hon. member for Lapointe concludes:

Therefore, Real Caouette is a leader and Robert Thompson is not, and that is why we are taking the necessary decisions.

Now, Mr. Speaker, that is how parties are created after a general election, and they want recognition as a party elected by the people on a different ticket.

Mr. Speaker, during the proceedings of the committee on privileges and elections, some members from the Conservative, Liberal and New Democratic parties raised objections to the effect that the Social Credit party should not be recognized as having priority over the group of the hon. member for Villeneuve.

At this stage, I would like to comment on some of those objections.

The hon. member for Carleton (Mr. Francis) stated the following:

It is up to the Speaker and the officers of the house to settle them as they usually do. In view of the Speaker's clear statement to the committee, I cannot agree with that. Consequently, I move that we adopt the first proposal amended as suggested.

In my opinion, sir, if their position had been clearly set out, we would not be faced with this problem today. However, our main concern now is to clear up that matter and, later on, we—or rather the officers of the house—will be able to determine the privileges to which they are entitled. If we have this debate today, it is because their status is not clear.

Mr. Speaker, I am of the opinion that the core of that problem lies in the fact that those members have not been elected under the label they would like to have recognized today and that they must simply wait until the next general election to be elected under the Ralliement des creditistes ticket. Once they have gone to the people squarely, I think there will not be any problem as to the recognition of the privileges to which they are entitled, the same as any hon. member of this house.

They are not being denied privileges as individuals, but as a group that has not been elected under the ticket it now claims.

We submit, Mr. Speaker, that this is false representation to the electors. If the people had known before the election that those members were to follow such a course of action, they would probably not have been elected.

Mr. Speaker, nothing in the Social Credit program would have led one to expect a split in our ranks at a given moment, and that, following that split, we would have to recognize a group under the leadership of the hon. member for Villeneuve (Mr. Caouette) and another under the hon. member for Red Deer (Mr. Thompson). If the electors had known that, I am sure the vote would have been different.

If we recognize now the stand taken by the hon. member for Villeneuve and his followers, we will not be doing justice to the electors who voted for the principles we advocated. Had they known that there was a rift in our party, they probably would not have voted for Social Credit members in the province of Quebec.

[*Text*]

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I do not intend to follow the hon. gentleman in the arguments he has presented to the house concerning the internecine strife between a group of members who have divided themselves into two groups. This is a matter for them, and not for the House of Commons. I agree that the stand taken by the house on this matter should have been submitted to a committee for the fullest consideration. This committee met under the chairmanship of the hon. member for Hull (Mr. Caron). I have read the evidence taken and the discussions that took place in the committee. I feel that further evidence should have been taken, for when one reads the two volumes he can only conclude that the subject was dealt with more by failure to face the issues than by actually facing them.

I point out that, in so far as the recommendations that are made are concerned, there are several that I do not believe parliament can accept if it has any regard for the heritage of parliament and its traditions, as well as the respect which parliament must have if it is to function properly. In so far as recommendation No. 1 is concerned, that the New Democratic party occupy seats next to the official opposition on the left side of the

Speaker, I think there will be general agreement in that regard.

The next recommendation is that the members of the Social Credit party occupy the seats next to the New Democratic party on the left side of the Speaker. I find it difficult to understand how, in the face of the evidence, the committee could have arrived at that conclusion, for it denies every principle that we have accepted in parliament. In so far as the party led by the hon. member for Villeneuve (Mr. Caouette) is concerned, I strongly disagree with many of the views expressed by that leader. Frankness demands that I say that I disagree with them. However, this is a democracy and the words of Voltaire were never more applicable than they are here. He said, "I disapprove of what you say but will defend to the death your right to say it." I apply those words of Voltaire to the situation today, and say to the hon. member for Villeneuve that I accept the principle inherent in that declaration, provided that what is spoken is not treasonable, treacherous or in any way inimical to the state. In other words, I accept that principle so long as what is said is within the law.

No parliament can exist unless each member has the freedom, under the law, to say what he believes. We go farther than that. There is no one in the galleries of this House of Commons, either the public galleries or the press gallery; that is the tradition of parliament. It goes back to the days of Charles I when the battle was being fought for the freedom of parliament and of parliamentarians to say what they wished. Neither the Governor General nor his representatives can sit in the gallery. The reason is a simple one. If they were there, there may be exercised by them some control over the freedom of the members to speak as they wish.

I say again that I dislike some of the declarations that have been made by those in this house led by the hon. member for Villeneuve. However, we do not choose members of parliament on the basis of a common agreement to say the same thing in parliament. If we all speak alike, then democracy dies. On the other hand, when I think of some of the attacks made on the hon. member for Villeneuve, I feel that the house should be reminded there was a time when he enjoyed political respectability. He was a Liberal candidate in the general election of 1956, and made a very good run at that time. This, however, is background material.

Why has this controversy arisen? Well, the hon. member for Red Deer (Mr. Thompson) was chosen as the leader. As one follows him through the peregrinations of debate in this house, one might almost conclude he was sitting on the other side of the house. Indeed, I was in his constituency the other day and there were widespread rumours of the possibility of a change in that regard not being too far distant. However, that is beside the point. These are things we have to consider.

What is a political party? In summarizing the situation when you brought this matter before parliament, Mr. Speaker, you referred to the definition made by that tribune of democracy, Edmund Burke. None of us can understand parliament unless we know history. There is no more interesting reading, interesting to Canada because of its significance to this nation, than the debate in the British parliament beginning on February 25, 1791 on the Quebec amendment bill. Some of those who took part were Burke, Charles James Fox and Sheridan. It was in that debate, when Canadian constitutional development was discussed for the first time, that the great schism took place between Burke and Fox. Friends they had been; enemies they became that day, and they never spoke again.

It was in that debate that Burke gave his definition of a party. I am not quoting him at the moment, but in essence a party is constituted when members decide for reasons that seem good to them to band together in support of or in opposition to certain principles.

Someone has said that names mean little, and reference was made by the hon. member for Winnipeg North Centre (Mr. Knowles) to 1940. If you look at the red book of that year you will find the Conservative party was elected under the name of the national party, the national government party. The hon. member has told the house something of the changes that took place. Changes also took place within his own party. In 1940, when I came in here as a member, that party's leader was Mr. Woodsworth. Then he ceased to be the leader and another leader took his place in the person of Mr. Coldwell. It is not a question of who is leader.

The determination as to whether there is a party is one that is dependant on a number of members uniting in support of a group of principles. That being so, then the method by which the party is formed is of no consequence to parliament. If they want to fight among themselves as to whether the hon. member for Red Deer (Mr. Thompson) or the hon. member for Villeneuve (Mr. Caouette)—sitting together there in amity—should be leader, then that is a matter for themselves.

Parliament simply determines one question as to how these parties shall be seated, and this house is confronted with a situation where one group is a self-declared party

supporting certain principles and opposing certain others. The other group is smaller now, but still contends it represents the party that embraced all of them a few short months ago.

It is very interesting to think of the ecclesiastical divisions that have taken place throughout the ages. Hon. members may recall the famous case in Scotland, the Wee Free's, in the latter part of the nineteenth century, where a small group broke away from the greater church and contended that they themselves represented the tenets, traditions and abiding principles of their church. I think the courts held that a group can break away and themselves be actual, true exponents of the true religion. Which of these two groups has the true political religion I do not know. It is not for parliament to determine what is orthodoxy and what is heresy in Social Credit.

The assertion that a party cannot be formed unless it has gone through the firing line of an election campaign is certainly not borne out by the experience of history. Members have been elected in one party and have gone over to another, and it would be none of our concern in parliament if the hon. member for Red Deer and those associated with him crossed the floor. Those changes are not the questions to be determined by parliament.

The assertion that a party cannot be recognized unless it has fought an election and fielded a certain number of candidates would create a condition of affairs wherein members would be bound into forced allegiance until such time as they were able to go before the electorate, and to accept the recommendations of the committee in this regard would be a travesty on parliament.

How can this house say to the fewer, "Your position shall be a senior one in the house"? That is what they are asking, and it would make a mockery of parliament. We would be placing parliament in the position of saying to any group, however small, "If you can command the support of the majority of the House of Commons your position shall be senior to any other party." If we accept this principle then the official opposition, with 96 members, might very well be removed from its present position. In actuality it would not be, but if this theory were accepted, and if the government had a large majority, it could determine that the opposition should sit in the far end of the chamber, whatever its numbers.

To accept the report in its present form would be, as I said a moment ago, a travesty on parliament. A political party is self-created, self-constituted, until such time as its members are removed by the electorate from the political scene.

I do not think we would have had this difficulty if it had not been for the amendment to the House of Commons act that was passed a few months ago. Section 42 of that act now says:

> There shall be paid to each member of the House of Commons, other than the Prime Minister or the member occupying the recognized position of Leader of the Opposition in the House of Commons, who is the leader of a party that has a recognized membership of twelve or more persons in the House of Commons, an allowance at the rate of $4,000 per annum in addition to the sessional allowance payable to such member.

It must be disheartening to some to lose the position that qualified them for this, not by the effluxion of time or action of the electorate but rather by action of the members themselves.

Therefore in so far as the fourth part of the recommendation is concerned, that the question of the privileges to be enjoyed by a group be referred to the parliamentary counsel of the House of Commons for study and report to the Speaker, it flies in the face of our jurisprudence. Is parliament to say what the law is? Is a parliamentary counsel to say? This is a matter for interpretation.

It can be submitted simply to the courts, and it should be submitted to the courts. On the one hand you have the hon. member for Red Deer, now with 11 members, and the hon. member for Villeneuve with more than 12 members. This question should not be submitted to parliamentary counsel to interpret the law. To me it is very clear. I am not giving any interpretation of the law, but I say that if the $4,000 was not dangling before their eyes—

Some hon. Members: Shame.

Mr. Diefenbaker: —or its disappearance—if that were not a matter of consideration we would not have had this dispute. Of that I feel certain; of that I am convinced. Therefore I say that in so far as paragraph 4 is concerned, it should have no place whatever in the recommendations of the committee. Before I listened to the hon. member for Winnipeg North Centre (Mr. Knowles) I thought we should just send this matter back to the committee for reconsideration. However, to do that would be regarded as simply failing to discharge our responsibility because, responsibility in this matter must finally rest here. All the committee can do is listen to the evidence and recommend. Without going into further detail, I think the amendment moved by the hon. member for Winnipeg North Centre should be further amended.

Much has been said today about maintaining the dignity and tradition of parliament. All of us have a responsibility in that

connection. The Prime Minister (Mr. Pearson) and the Leader of the Opposition have particular responsibilities in that connection. I read in the newspapers that long debates are taking place, that the discussions are becoming more and more bitter. My reply is that parliament is a place where strong men and women have strong ideas and express themselves. When I read in the press of the wastefulness of parliamentary time, I suggest that those who write that way go back to the days of Borden and Laurier: Laurier, that leader whose name conjures up the respect and regard that in the retrospect of history places him above party; and Sir Robert Borden, a man who loved parliament. I would ask those who write that way to read the debates of 1910 and 1911: parliament sitting night and day for weeks on end; Sir Wilfrid Laurier, annoyed, angered and aroused as a result of what he thought was unfair; Sir Robert Borden followed a different course. When he got annoyed, he went to bed.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: I have sometimes found that worth while too. But read those debates. They also tell you about the great old days. I ask those who write these things about parliament to read those debates. I have read them in the last few days because I was beginning to wonder whether parliament was sinking to a level that had never been seen before. They spoke about the good old days too. In 1911 Sir Wilfrid spoke about the grand old days of 1896 to 1900; Sir Robert Borden spoke of the days of 1904 and 1908. They spoke about those parliaments just as we speak about previous parliaments. I have been here long enough to look back to 1940. Quite a few hon. members of that parliament are still here. The hon. member for Burnaby-Coquitlam (Mr. Douglas) and others were here at that time.

Mr. Pickersgill: The Postmaster General (Mr. Denis).

Mr. Diefenbaker: You know, Mr. Speaker, the best debates we ever had were on Friday nights. I think the motion made today may lead to very good debates. It was on Friday nights, when we were unencumbered by some members who found it necessary to be elsewhere, that parliament was really at its best. We used to have some great debates. I look back to those days and in a reminiscent mood, with nostalgic memories of the past, I say that those were great days in the House of Commons. They are no different today. The level of debate is just as high, or higher, today as it was then, although each generation looks back at the previous one and says how much better it used to be. Parliament spent, not hours but days and days, night and day, debating amendment after amendment. In those days, too, the press reported to a degree that does not exist today. About a week ago I was sent a number of newspapers of 1911 and 1912. They contain pages of reports on parliament. What everybody said was mentioned in some particular. Things have changed. The hon. member for Burnaby-Coquitlam said today, "Well, have they changed for the better?"

I want to say this to those who criticize parliament, that the members today discharge their responsibilities as effectively and as efficiently as they ever did. This does not mean that changes in the rules must not be made. We have tried over and over again to bring about changes. When you are sitting over there in the government benches you say, "I wonder what those chaps in the opposition are up to" when they ask for these things; and when they endeavour to bring something forward, we know with certainty there must be some reason. All of us want to make parliament more effective; but we will not make parliament more effective by going about this country and speaking in disparaging tones about it. Mind you, Mr. Speaker, when the indemnity was raised to $18,000 it was said this would bring better members into parliament. I wonder which hon. member is prepared to admit that anybody could take his place.

Mr. Pickersgill: We would have to leave that to the voters.

Mr. Diefenbaker: I did not hear the hon. member.

Mr. Pickersgill: I just said that we would have to leave that to the voters.

Mr. Diefenbaker: The statement made at that time was, "All you have to do is raise the indemnity and you will have better members of parliament". I do not see anyone on either side of the house standing up and saying he could be supplanted by somebody better. We do not raise the standard of parliament by disparaging members or the actions of parliament. Each one of us has a responsibility. The Prime Minister and I have higher responsibilities than anyone else. That is why, when I look at these recommendations I say that to accept them would be to emasculate parliament. I do not believe in three, four or five opposition parties. I think the $4,000 a year has provided an invitation to a proliferation of parties.

Therefore, desiring to do what I can to bring about a better parliament, I move,

seconded by the hon. member for Yukon (Mr. Nielsen):

That the amendment proposed by the hon. member for Winnipeg North Centre (Mr. Knowles) be amended by adding thereto, immediately after the word "groups", the following:

"and that clause 4 of the report of the committee to the House of Commons be deleted".

Mr. Speaker: Order. It being five o'clock p.m. the house will now proceed to consideration of private members' business as listed on today's order paper, namely private bills, notices of motions (papers), and public bills. As there is no business listed on today's order paper for private bills, the house will proceed to the consideration of notices of motions (papers) and public bills.

Mr. Douglas: Mr. Speaker, the matter now before the house has been the subject of discussion for nearly three weeks and it seems to me fairly important that it ought to be cleaned up as quickly as possible. I suggest that if there is unanimous consent we dispense with private members' hour and proceed with the debate, and get it to a conclusion as quickly as possible.

Mr. Pickersgill: Mr. Speaker, I should like to say that the hon. member for Comox-Alberni (Mr. Barnett) and the hon. member for Pontiac-Temiscamingue (Mr. Martineau) have both agreed to forgo their rights for today. I should like to say on behalf of the government that their position will be assured, and that the government is asking to have these motions stood so that the hon. members will not suffer any disability.

Some hon. Members: Agreed.

Mr. Speaker: It being the unanimous wish of the house, it is agreed that we proceed with the motion before the house.

Mr. L. T. Pennell (Brant-Haldimand): Mr. Speaker, I was indeed pleased to hear the Leader of the Opposition (Mr. Diefenbaker), in speaking to this motion, refer to the great customs and traditions of the mother of parliaments at Westminster. At the same time I was somewhat surprised when he then said that it was a heresy to propose a seating arrangement such as that set out in the committee's report. I would, with all respect, invite the right hon. gentleman's attention to the seating arrangements in the British house of commons in November of 1922. After the election on that occasion the labour party was returned with 138 members and the liberal party, under the Right Hon. Herbert Henry Asquith, could only show up with 60 members. That parliament, the great mother of parliaments with all its customs and traditions, accepted a seating arrangement whereby the liberal party under Mr. Asquith with only 60 seats was given the front bench of the official opposition and Ramsay Macdonald's 138 members accepted a secondary position.

Therefore, with great respect, sir, I say that the seating arrangement proposed in this report can be justified and sanctioned not only by practice in the halls of Westminster but also in this house. The hon. member for Winnipeg North Centre (Mr. Knowles) alluded to the Liberal party, and may I say to him that hon. members on this side of the house will vote on this matter as freely, as fairly and as dispassionately as any group in this house.

I would invite the attention of this house to the fact that Mr. Speaker posed the question to this house, which is to be found at page 3007 of *Hansard*:

Have we a new party according to this new definition...? To my mind this is a question for the house to decide.

A reading of the report makes it abundantly clear that the committee felt there was not a new party, but that there was a new group in the house; and that can be justified on the evidence. This difficult problem was made somewhat less difficult because the Speaker, as mentioned by the Leader of the Opposition, had provided us with a definition of the word "party" as follows:

"Party"... is a body of men united for promoting the national interest on some particular principle in which they are all agreed.

It is my humble opinion that it was not the duty of the committee to disentangle and to isolate all the internal differences between the two factions warring within the bosom of the Social Credit party. We have to determine on broad general principles the differences in the political complexions of these two groups.

May I direct your attention, Mr. Speaker, first of all to a letter sent by the hon. member for Villeneuve (Mr. Caouette), which is as follows:

Following the annual convention of the Ralliement des creditistes in Granby, Quebec, on August 31 and September 1, 1963, it is my duty to inform you that our political group will hereafter sit as a separate group in the House of Commons.

And that is precisely the finding of the committee, that it was a separate group and not a new political party.

But may I say that there is more cogent and compelling evidence than even that. May I again draw the attention of the house to the evidence given by the hon. member for Lapointe (Mr. Gregoire). This is what he said in reply to a question by the hon. member for Pontiac-Temiscamingue, as set out in the committee report of the evidence:

Mr. Gregoire: The national Social Credit party is our party, so the answer is yes.

We are therefore confronted with this dilemma. We have one group claiming that they

are the Social Credit party, and we have another group claiming that they are the Social Credit party. It is not a matter of difference in political conviction, because the group under the leadership of the hon. member for Villeneuve still say that they are pledged to the same political conviction as when they were elected. It is really a matter of difference in leadership. So the situation arises that there are two groups both pledging themselves to the same political conviction, the one under the leadership of the hon. member for Red Deer (Mr. Thompson), and the "Johnnie-come-latelies", if I may use that expression, under the leadership of the hon. member for Villeneuve. I submit that on the strength of this evidence the committee was left with no alternative but to say that there was another group in this house.

May I again go back to the mother of parliaments of November, 1922. In the election held at that time there were two groups of the liberal party, that under the Right Hon. H. H. Asquith and that under the leadership of Mr. David Lloyd George. That parliament held that there was a national liberal party and a liberal group under the leadership of David Lloyd George, and so I would reaffirm and reiterate that the findings of this committee have been sanctioned and justified by tradition and custom both here and elsewhere.

Having answered that question, Mr. Speaker, the committee next turned its attention to the question of the seating arrangements. Let me say to this house, Mr. Speaker, that no one in that committee closed his mind to the question of numerical strength. I would point out that in 1935 there were 17 members in this house representing the Social Credit party, and 14 sitting as C.C.F. members, the predecessors of the New Democratic party. It is my understanding, although I am subject to correction on this, that the house then accepted a seating arrangement whereby the 14 C.C.F. members were given priority over the 17 Social Credit members, and that arrangement was acquiesced in by the right hon. gentleman who now leads the official opposition.

Mr. Diefenbaker: Mr. Speaker, I do not want to interrupt—I have been following the hon. gentleman very carefully and with interest—but I was not in the house at that time.

Mr. Pennell: As one who has great respect for the Leader of Opposition (Mr. Diefenbaker), I apologize.

The seating arrangements at that time were justified on the broad, general ground of seniority: First, that the C.C.F. party had come into this house earlier than the Social Credit party; next, that its membership was drawn from a larger number of provinces and, finally, that the services of the individual members had extended over a great number of years. It is my humble contention that those same arguments can be applied with equal force to the seating arrangements in this chamber today. To assume for one moment that the majority in the committee recommended moving the New Democratic party next to the official opposition solely on the grounds of the numerical strength of that party would not be accurate. We justified this recommendation on other grounds. I ask hon. members to note that the disparity in numbers is extremely small—17 as against 13, and 11. It may be that had the difference in numbers been greater we would not have given weight to other considerations, but on this occasion we justified placing the New Democratic party next to the official opposition because they were senior to the other minority groups, because its representatives here were drawn from three provinces and because the services of its individual members have extended over many years.

Let me point out that of the members led by the hon. member for Villeneuve (Mr. Caouette), apart from the hon. member himself, none can claim to have served in more than two parliaments. At least three or four can claim that distinction in the party led by the hon. member for Red Deer (Mr. Thompson). In addition, the hon. member for Red Deer can claim members from the provinces of British Columbia, Alberta and Quebec. On the other hand, the members united under the leadership of the hon. member for Villeneuve—and I do not say this in a disparaging manner—are limited to representing the province of Quebec. Let me further point out that the group united under the leadership of the hon. member for Red Deer came into this house under his leadership. They accepted it and the situation was acquiesced in by all members.

I repeat, the difference in the number of members is small, only 13 as against 11. Moreover, we have no assurance that this disparity will remain the same. Thus I say that although this report may not be without its imperfections, and few reports are, whatever those imperfections may be this recommendation can be justified on grounds of logic, common sense, tradition and custom.

Finally, may I turn to the question of the privileges enjoyed by the group under the leadership of the hon. member for Villeneuve (Mr. Caouette). If any hon. member thinks that this report, or its acceptance, constitutes an attempt to prejudice the rights of any minority group in this house, let him disabuse himself of that idea at once. It is my understanding, as a new and humble

member, that the rights and privileges enjoyed here, whether by the Prime Minister (Mr. Pearson), by the Leader of the Opposition or by an ordinary backbencher all flow from the Speaker's chair following the course of custom and tradition. It is my respectful submission that the same rights and privileges should flow to all minority groups in this house and that they should not be catalogued or made the subject of an inventory by any of the groups represented here. After all, why should their rights and privileges be different from those extended to any members of the house down through the years?

Before concluding what I have to say I should like to deal with the other point which was raised by the Leader of the Opposition when he referred to the indemnity of $4,000 payable under the House of Commons Act and Senate Act. In my respectful opinion this does not raise a question as to the privileges enjoyed by members of this house. This is why the committee was prompted in its decision to refer this particular matter to parliamentary counsel, in order that advice might be given to the Speaker; we considered this was not a matter to be dealt with by the committee.

I had, personally, hoped that this question might be dealt with without regard to party distinction, but despite the fact that I am a new member I have already learned that to expect such a thing to happen would be a triumph of hope over experience.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, the question we are discussing this afternoon would have really required only a few minutes of attention and thinking, perhaps, to arrive at a decision.

I submit that if the members of the house, on the government side as well as on the opposition side, know their arithmetic well enough to tell whether 12 or 13 is more than 11, none could say really that we have to ask any political party permission to be recognized as members of parliament elected by our constituents.

I highly appreciate the remarks that were made a little while ago, by the hon. member for Winnipeg North Centre (Mr. Knowles), as well as the remarks of the Leader of the Opposition (Mr. Diefenbaker).

As for the hon. member for Brant-Haldimand (Mr. Pennell), who tried to make us understand there had been recognized seniority in the house around 1945, I know that among the group of 23 Social Credit members who sit presently in the house, I was the only member sitting from 1946 to 1949. If there is seniority somewhere, I am of the opinion that we have it in our movement. But that is not the point.

The committee on privileges and elections mentions a special question to be considered, and it is this: Are we going to recognize a new party which developed during this parliament, since the election?

That is the only point on which we have to make a decision and report to the Speaker in order that the dispute be settled. There is the point, the whole question referred to the committee on privileges and elections.

As for the committee, its report is completely off the beam. It says that members of the New Democratic party should come after those of the Conservative party, that members of the Thompson group should come after members of the New Democratic party, and lastly the Ralliement des creditistes group.

It makes no mention of the question: "Are we going to recognize a new party which developed during this parliament and since the election?"

The members of this house are aware that the Ralliement des creditistes was born in 1958, on June 4, and that, ever since, I have taken the responsibility of leader of the movement in the province of Quebec.

A while ago we heard the hon. member for Sherbrooke (Mr. Chapdelaine) say that the movement was elected under false pretences. I say to him, the hon. member for Sherbrooke, and to all those who think the same way today, that if it were not for the Ralliement des creditistes, none of them would sit in this house now.

As the hon. member for Lake St. John (Mr. Lessard)—whose absence I regret—mentioned, and the hon. member for Chicoutimi (Mr. Côté) would agree, they were chosen as candidates of the Ralliement des creditistes. Here is his letter dated September 12, 1963, when he wrote:

"I accepted to be candidate for the Ralliement des creditistes in Lake St. John—"

He did write: "Ralliement des creditistes", and not the Social Credit association.

The movement affiliated to the Social Credit Association of Canada, that is the Social Credit, never existed, no more than there is a Social Credit party in Canada. What existed in Quebec before the reorganization of the association was not the Social Credit party, keep that in mind, but the Ralliement des creditistes of the province of Quebec. The Ralliement existed before. It all started with the Ralliement des creditistes in the province of Quebec; and without the contribution of the Ralliement des creditistes my hon. English speaking friends from Alberta would probably not be here today.

Mr. Speaker, why not ask those people from Alberta or Quebec who are followers of

the hon. member for Red Deer whether they hold membership cards issued by the national association? Such a thing does not even exist. Why not ask them? They say that we have been elected under false pretences. Ask them what kind of membership card they have in their pocket. Those cards identify them as active members of the Ralliement des creditistes du Quebec. They don't have any card from the national association.

Mr. Speaker, on page 21 of the report of the committee on privileges and elections I see that the hon. member for Labelle (Mr. Girouard) introduced a suggestion or a motion. Here is what he said:

> And at this time I wish to point out that I am only acting on the invitation of the Speaker. My motion is as follows:
>
> That a group of members which did not form a party at the time of the last general election cannot be recognized as a party before facing the electorate as such.

The member for Labelle should tell us, whether when he became a candidate in the riding of Labelle, he asked permission from the hon. member for Red Deer or from the hon. member for Villeneuve. Further, what organization in his riding had him elected? Was it the Ralliement des creditistes of Labelle county or the national organization of the Canadian Social Credit party?

If you want other evidence, Mr. Speaker, I can supply you with loads of it to establish the existence of the true Social Credit in this Parliament in Ottawa. It is due to the effort of the Ralliement du credit social and the Social Crediters in the province of Quebec that this party is represented in this house. I have the evidence right here.

Let us see what the popular vote was at the last election—

An hon. Member: It has gone down.

Mr. Caouette: Gone down? Open your ears and your eyes and listen to this: The popular vote increased by 56,000 in the province of Quebec, on April 8, 1963, compared with June 18, 1962. I do not want to rub it in, but I only want to set the record straight.

In Quebec, le Ralliement des creditistes obtained a total of 571,333 votes. I challenge the member for Red Deer to come and tell us the percentage of votes he obtained for Quebec.

Let us look at the province of Nova Scotia where the national organization was operating. Three hundred and sixty seven votes were given to the Social Credit party in the whole province of Nova Scotia.

In New Brunswick, out of a total of 232,000 votes, 20,194 were for the Social Credit candidates.

In Quebec out of a total of 2,096,000 votes, over 29 per cent or 571,000 were cast in favour of the Social Credit party.

In the province of Ontario, where the national organization worked their hands raw and spent their funds to convince the Ontario voters of the value of the Social Credit doctrine, out of 2,721,984 votes, the Social Credit got only 55,758 votes.

In Manitoba, 27,796 votes out of 386,000.

In Saskatchewan, out of 405,720 electors, the total of Social Credit votes for the national association—and mind you the president of the national association lives in Saskatchewan —a vice president or a treasurer, a Mr. Daryl Rumble, took exactly the startling total of 566 votes in the riding of Assiniboia, in the southern part of Saskatchewan. Total for Saskatchewan: 14,819 votes.

In Alberta, a province where there has been a provincial Social Credit administration in power for 30 years, out of a total of 468,000 votes, the Social Crediters won 125,642 votes. The percentage is less than what we took in Quebec.

In British Columbia, out of a total of 578,000 electors, the Social Crediters took 82,000 votes, and that, with a Social Credit provincial administration in power for the last 13 years. The Progressive Conservatives, the Liberals and even the N.D.P. were ahead of the Social Credit national association.

To sum up, out of a total of seven million electors in Canada, we took 571,000 votes in Quebec against 327,000 votes for the national organization in the other provinces.

Mr. Speaker, those are facts and statistics quoted here to show to what degree they are trying today to minimize those who gave a new lease on life to a political movement.

It is not the concern of the House of Commons to decide whether such a movement should exist or not.

I know very well that if I asked the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) what he thinks of our movement, he would wish for its disappearance tomorrow morning, but I would say the same thing about the Liberals. If I had the power to make them disappear, let me tell you that they would vanish real fast.

Mr. Pigeon: Leave that to us.

Mr. Caouette: Now, Mr. Speaker, in the editorials published since that situation came about, emphasis is put on two letters, one of my colleagues, the hon. member for Lapointe (Mr. Gregoire), and my own personal letter to the Speaker of the house. There is no contradiction between those two letters. The Ralliement des creditistes is not a new invention; it was and still is in existence.

As the Leader of the Opposition so aptly said a while ago, it is not for the house to decide whether 12 hon. members will stick together or not. That is for the hon. members

concerned to decide. If you polled the 23 Social Crediters elected as Social Crediters at the last election, there would be 13 in favour of the Ralliement des creditistes and 11 in favour of the national organization. We have a majority. All we are asking for is that you recognize this situation.

We took a vote at Granby. The hon. member for Sherbrooke (Mr. Chapdelaine) was not even there. If he had been there, it would have meant one more vote, that is five or six votes, I think, for his group, but nevertheless there were 13 in our group. Then, that is a majority in favour of the Ralliement des creditistes.

The other day, the hon. member for Red Deer, because we were trying to win recognition—that was our right—accused us of blackmailing the Queen. That was not our intention. Our intention was to get recognized. That was our intention. It was not to delay the business of the house.

I heard the member for Red Deer state that it was terrorism or tyranny by the minority, that we were imposing tyranny on parliament. Isn't it what his group has been trying to do for three weeks here, in the House of Commons? You see people going behind the drapes and in low voices trying to conspire with the Liberals so that the Ralliement des creditistes will not be recognized in the house. You are aware that this is going on. Those are facts.

Mr. Dupuis: This is not true.

Mr. Caouette: We are informed by telephone that the decision has already been made, but that it has to be submitted to parliament before it is made public, a decision to the effect that we will be put in fifth place in the House of Commons. What do you say about that? We have been informed accordingly, and my word—

Mr. Choquette: That is better than nothing; at the next parliament you will not even exist.

Mr. Caouette: This is my friend, the hon. member for Lotbiniere (Mr. Choquette) speaking; he will learn that after next parliament, because he is sure not to come back here and he knows that very well.

Mr. Pigeon: He is seldom here.

Mr. Caouette: Besides, he is never here. It is by accident that he happens to be here today.

Mr. Choquette: Mr. Speaker, on a point of order, I rise on a question of privilege.

Mr. Deputy Speaker: Order.

Mr. Choquette: Mr. Speaker, I rise on a question of privilege. The hon. member for Villeneuve has just made an essentially false assertion, which is very typical of him.

I was present in this house more often than the member for Villeneuve and, for his guidance, may I be permitted to say that I have no lesson to take from him concerning my attendance or my absence here, and I ask him to withdraw his remarks for they are inaccurate. Moreover, should you refuse to agree to my request that he withdraw I invite him to come any time to my Lotbiniere constituency to take part in a public debate on the hustings, an invitation which he has refused in the past.

Mr. Deputy Speaker: Order.

Mr. Caouette: Mr. Speaker, I accept the invitation of my good friend from Lotbiniere. Besides, I shall be in his constituency next Saturday and he may then come to meet me, if he wishes, at a supper organized at St. Croix de Lotbiniere. He will be welcome.

As regards the lessons I do not have to give him, I would not wish to give him lessons, since, in any school, there are students who understand nothing, and the hon. member for Lotbiniere could be one of those.

Mr. Speaker, since the debate started on the recognition or non-recognition of our group as a separate group or as a distinct party in the house, we read the editorials in several Canadian newspapers.

These are not editorials written by Social Crediters, for these people are even proud to say they are not Social Crediters, but they recognize to the elected members of the Ralliement, advocating the Social Credit policy in this house, the right to express themselves and to enjoy the privileges enjoyed by any political party.

Mr. Speaker, some members who rose before me declared a while ago, that we dissociated ourselves from Social Credit. There now. Let us be sensible. We did not dissociate ourselves from Social Credit, since the real representatives of the Social Credit philosophy in this house are the members of the Ralliement des creditistes, who are from the province of Quebec at this time.

Do you want an example? I have before me a report that was prepared by the hon. member for Red Deer, and distributed to the national executive of the Social Credit Association of Canada, in which he declares, among other things:

> If we could develop such a policy of vision and action, we would open the door to a throng of members who are at present shying away because of our name "Social Credit".

Once more he is suggesting that we should change the name of Social Credit.

> We should exert pressure on the Ralliement des creditistes du Quebec so that they seriously consider campaigning in the provincial election.

We never had any such intention.

Without trying to show the advantage or disadvantage of the critical political situation in Quebec, this decision would allow for a development of the political philosophy in that province—

As if we had no political doctrine, as if Quebec had no political philosophy.

This would limit the scope of Quebec nationalism to the provincial organization.

Mr. Speaker, I am asking the hon. members to try to understand the meaning of those words, and I hope the hon. member for Quebec-Montmorency (Mr. Marcoux) will also understand that meaning.

And I continue:

The provincial organization would be represented within the national Social Credit party. At present, the whole load of the problems in Quebec—

Please take note of this, Mr. Speaker:

The whole load of the problems in Quebec is directly related to the national party which gives the public both in Quebec and outside the impression that the Social Credit is only a Quebec party in the federal parliament. Which is certainly of a nature to weaken and unbalance the true national image of the party.

What national picture? In 1958, we did not have a single candidate in Quebec. Furthermore, all Social Credit members of the House of Commons were soundly beaten and sent back to their respective counties.

As a matter of fact, it was not until 1962 following an expensive television campaign started in 1958, that the movement began to make itself felt in the province of Quebec, and the hon. member for Red Deer knows how we worked in Quebec. The French Canadians in our province know it too, even those who have now left the ranks of the Ralliement des creditistes.

Mr. Speaker, on October 7, 1963, the newspaper *Le Devoir* said:

One may or may not like Mr. Caouette. But there is a brutal fact which cannot be dismissed. That man, duly elected by the people, is now leading a distinct group of members of the house. Will it be for long? Nobody knows. But that is the situation at present.

Mr. Speaker, as for the length of time, we will look after that ourselves. And the article goes on:

In the name of fairness and common sense—

Mr. Speaker, *Le Devoir* is not a Social Credit newspaper, it seems to me.

Also, I hope that the hon. member for Mercier will understand what I am about to read, for there must be some common sense and a bit of fairness in him.

And I continue reading:

In the name of fairness and common sense, Mr. Caouette's group must be recognized and its leader must enjoy the privileges to which party leaders are entitled in parliament. If, as a result, Mr. Thompson has to be deprived of the additional $4,000 allowance voted last year—

[Mr. Caouette.]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I rise on a point of order.

The hon. member for Villeneuve has asked me to listen to him but he reads so fast that we cannot understand a word. I shall ask him to start over again and to read a little slower.

Mr. Caouette: Mr. Speaker, I shall meet the hon. member at the Club Maisonneuve in Montreal at a future meeting.

I proceed:

If, therefore, Mr. Thompson has to be deprived of the additional $4,000 allowance voted last year—

About this, Mr. Speaker, the Leader of the Opposition said a moment ago: If you were to put the $4,000 in front of both, they would probably unite and get along together.

Mr. Speaker, I think that it is mean to connect this matter with that of the $4,000. In fact, I did not wait for my parliamentary allowance to do the job that I have done in Quebec, and even if we do not share the same political views, I think that the members on both sides of the house will admit that, without any parliamentary allowance, I have still discussed political questions in Quebec as well as in the rest of Canada. Everybody must admit it and I did this without consideration for the $4,000 or $18,000 a year.

I proceed with the report:

The split decided by Mr. Caouette, establishes clearly in the minds of the people the actual position of the party called Social Credit. Parliament does not have to pass judgment but to accept the fact.

The demands of the Caouette group are justified and legitimate. But that in itself would not be reason enough to impose upon the whole country consequences more far reaching than the temporary and partial discrimination suffered by the members concerned.

The Ottawa *Journal*, which is certainly not a Social Credit paper—it may be Liberal or Conservative, I do not know—had this to say:

[*Text*]

The Fewer the Higher?

The Commons shouldn't get too legal or too fancy in deciding when or what is a party. The circumstances of a party's birth are not, in our view, as important as its voting strength in the Commons. If the Commons is to determine the importance and therefore position of a group or party by other than its voting strength the door is left wide open to all manner of weird decisions in the future. A good Commons should be sensitive and susceptible to trends and changes, to floor crossings and tides. If the Commons somehow finds reasons to assert that the large piece of the old Social Credit party is in fact the smallest then not just the people of Quebec with separatist leanings but folk all over Canada with no leaning whatever are going to come to the conclusion the Commons is silly.

[*Translation*]

And still about the matter now before us, the newspaper Toronto daily *Star* of October 8 said:

[*Text*]

Recognize the creditistes.

Now that the Ralliement des creditistes has withdrawn its attempt to blockade public business at Ottawa, and the parliamentary crisis is over for the moment, the people of Canada are bound to wonder what the fight was all about.

The Ralliement is composed of those members of parliament who followed Real Caouette in the recent split in the Social Credit party. It resorted to its filibuster when its demand for recognition as a separate party—which among other things would entitle Mr. Caouette to an extra $4,000 indemnity as a party leader—was not immediately granted but was referred to the committee on privileges and elections.

Without attempting to excuse this high handed action by the creditistes, we find it hard to understand why the government delayed giving them the recognition they sought—

Mr. Pickersgill: Nothing to do with the government.

Mr. Caouette: If the government had given orders to its supporters sitting on that committee the result would have been different. The Secretary of State knows better than that.

—and made such a song-and-dance about the whole affair.

The law defining political parties in the House of Commons was clarified by an amendment to the Senate and House of Commons Act which was passed last summer. This amendment provides as follows:

There shall be paid to each member of the House of Commons... who is the leader of a party that has a recognized membership of 12 or more persons in the House of Commons an allowance at the rate of $4,000 per annum each, in addition to the sessional allowances payable to such members—

The committee on privileges and elections has illogically decided to recognize the Caouette group as a party while putting it behind Mr. Thompson's 11-member remnant in order of precedence. This invites another filibuster. The Commons as a whole should give the creditistes what they are numerically entitled to—recognition as the third-ranking opposition party.

[*Translation*]

And this, Mr. Speaker, from the Montreal *Star* of October 10:

[*Text*]

On the other hand though not recognizing the split for one purpose, it accepts it for another; the committee elevates the new Democratic party to No. 3 place—above the split Social Crediters... In any event, it was Mr. Caouette in Quebec who delivered the goods at the polls, not once but twice. Without the Creditistes, the parliamentary Social Credit party would have amounted to nothing but a tiny handful. When the split came, the Creditistes themselves split, but Mr. Caouette still has a larger parliamentary following than Mr. Thompson. Mr. Thompson may still be the "national" leader but he doesn't lead much.

More will be heard of this dispute, for the unruly temper of the House of Commons is likely to become worse before it gets better.

[*Translation*]

I only wish to point out that it is neither our intention to cause trouble in the house nor to play politics. All we are asking is this: since we are 13, recognize us as such and let us be seated as a group of 13 in parliament.

Call us the Ralliement des creditistes party, or the Social Credit party, this makes no difference to us. We are members of parliament and surely out-and-out Social Crediters.

As far as the Social Credit is concerned, it has never existed legally or otherwise. It is the Social Credit Association of Canada which exists and is headed by the hon. member for Red Deer, it is true, and there is the Ralliement des creditistes.

When we met together in Ottawa, the Ralliement des creditistes did not join the national association. We offered to co-operate; we held out our hand, nothing else.

I think it is a matter of association, that is all. When someone is unhappy about something, the answer is simply to separate. That is what the Ralliement des creditistes did and we are not sorry. We had the right to do so.

When one joins a movement and has definite opinions and when another group takes another view of things, regarding, for instance, our formal statement against nuclear weapons, while the leader of the Social Credit Association of Canada stated that we should accept defensive nuclear weapons, then, we do not go any further.

There was also the matter of the labour code. The Social Credit program was in favour of removing the obligation for a union to require the signature of every member. Besides, this suggestion was not well received even in the west. At all events, their program on matters of labour legislation came into conflict with the interest of the province of Quebec. This created difficulties in Quebec.

You will tell me that I was troublesome in western Canada. Not much. Each time I was invited, in Alberta and in Saskatchewan, in Morinville, Alberta, for example, I spoke before seven persons. And it was not better in Estevan. I was not invited to attend large meetings, I was not very popular with certain western Crediters.

On the other hand, in the province of Quebec, it was the opposite, and the hon. member for Lotbiniere knows it. There we have people who know how to organize things. And it was not the Social Credit Association of Canada which did the work but the Ralliement des creditistes. This is our organization. I am asking that justice be done, I am not asking for preferential treatment,

but justice. We do not wish to block passage of legislation by filibustering but to co-operate in the best interests of the nation.

In this connection, we support the legislation no matter whether it is proposed by the Liberals, the Conservatives or the N.D.P.; if the legislation is profitable to Canada, we are in favour of it.

We are accused of resorting to filibustering tactics. Who is using such tactics? We have been sitting since September 30 and today is October 17. And we are still discussing after 17 days whether the member for Villeneuve and the member for Red Deer are going to continue sitting together. And some find it funny. They are sitting together. Whose fault is it? Is it mine? Is it his? No, the people who refuse to take their responsibilities are to blame.

Therefore, take your responsibilities, reach a decision, so the matter will be settled. We only hear about amendments or the referral of the matter to the committee for further study. Are we still going to meddle with this and vie with one another for two or three weeks? And to what avail? Someone should assume the responsibility.

It is said that the government is not responsible. The committee says it is not responsible and it refers the question to the house.

Do you want a majority? There are five groups in the house: three favour the recognition and two groups, the Liberal party and the Social Credit association group, are against it. Why? Because the hon. member for Red Deer has promised to support unconditionally the Liberals until the next election.

Some hon. Members: Oh, oh.

Mr. Caouette: Listen—

[*Text*]

Some hon. Members: Shame.

Mr. Thompson: Mr. Speaker, on a question of privilege—

Mr. Deputy Speaker: Order, please. The hon. member for Red Deer is rising on a question of privilege, and I would ask the hon. member to address the Chair from his seat.

Mr. Thompson: Mr. Speaker, I apologize for not being in my proper seat but I have not wanted to be deafened by the shouting next to me. I suggest that the least any hon. member of the house could do is speak the truth, and not make statements which he knows are not right, and with which he is merely trying to distort the record.

[*Translation*]

Mr. Caouette: Mr. Speaker, I take note of the statement made by the hon. member for Red Deer. However, as you know, that statement which was reported as having been made in Red Deer, Alberta, was circulated in Vancouver and elsewhere, indeed from coast to coast. All of us have read it in the newspapers. At any rate, I accept his assurance that he will not support the Liberal party in the future.

An hon. Member: There will be an election.

Mr. Caouette: Someone says that there will be an election. I know that that prospect fills some members with fear, not in our group but in others. Set your minds at rest, I am not afraid of an election. I never am. Not only have I been beaten seven times but I was elected three times without the help of the Liberals. The only time I ran as a Liberal I was miserably beaten.

Mr. Speaker, this is what Mr. Clement Brown who is not a Liberal but a Conservative—in fact a former Conservative candidate—had to say in another newspaper, Montreal *Matin*, on October 10:

> Personally I have not the least bit of sympathy for Mr. Caouette or the Ralliement des creditistes.

Quite nice, is it not.

> —or for the Ralliement des creditistes. Their demagogy fouls up the air.

Listen to this. I wonder whether he is in the press gallery at the moment. Yes, he is.

> Their demagogy fouls up the air in parliament.

That is why I say that instead of sending nuclear weapons to Val d'Or we should provide members of the press gallery with gas masks so that the parliamentary correspondents may breathe more easily.

> —but it is up to the people to judge them on their merits rather than their colleagues who are, in fact, their opponents.

Everybody would find it strange if I had to decide upon your political status in this house. But that is precisely what you are about to do concerning 12 of my colleagues and myself. Is that democracy? If so, I wonder what is the meaning of democracy.

The Leader of the Opposition is as clear on that point as the hon. member for Winnipeg North Centre (Mr. Knowles). In the Montreal *Matin* of October 10, one could read:

> Bill C-91 recognizes only one criterion, that is the number of members. It is the Liberal party which thought that one up concerning third parties in spite of a long tradition that, in parliament, opposition is indivisible.

The presence or otherwise of a member in the house depends on his constituents, not on his party nor on his leader. If, at the next election, my services are no longer required, you know what the electors will do, and the same thing goes for every riding.

If we are 12 or 13, or two more than the other group and besides that we have the majority as far as years are concerned and also the majority by popular vote, why wait to come to a decision?

Now, because Bill C-91 favours their "bosom enemy", why do the Liberals discriminate against Mr. Caouette and the Ralliement?

Why? In the final analysis, it is the responsibility of the Liberals to settle the matter, and I directly appeal to the Prime Minister himself when, in a few moments there will be a vote and when he will be the first to vote, and I appeal to all hon. members—I shall not kneel to ask forgiveness because there is no forgiveness to ask for—I ask all hon. members of the house to be logical—not conciliating, for this is not a matter of conciliation but a matter of logic, democracy and fair play.

There are 13 of us and 11 of them; besides, our group has existed since 1958 and we have run under the label of the Ralliement des Creditistes.

Some hon. Members: No, no.

Mr. Caouette: The candidates' party does not appear on the ballot-paper; but the candidates have all been chosen, without exception, at a convention of the Quebec Ralliement des Creditistes, and for the guidance of the hon. member for Quebec-Montmorency (Mr. Marcoux), I shall say that the same can be said about him. Moreover, the hon. member for Quebec-Montmorency did not even know the hon. member for Red Deer when he ran as a member of the Ralliement des Creditistes.

Mr. Marcoux: The hon. member for Red Deer was not even the leader.

Mr. Caouette: He was not even the leader.

He followed the hon. member for Villeneuve and ran under the Ralliement des Creditistes ticket. It is the Ralliement des Creditistes which made possible the election of the hon. member for Quebec-Montmorency, of the hon. member for Labelle (Mr. Girouard), of the hon. member for Sherbrooke (Mr. Chapdelaine) and of all the Quebec Social Crediters.

Mr. J. A. Habel (Cochrane): Would the hon. member allow me a question? It will not be a long one.

Mr. Caouette: Yes. You can make it as long as you wish.

Mr. Habel: Is it not a fact that the hon. member for Villeneuve recognized the hon. member for Red Deer as his leader at a Social Credit convention?

Mr. Caouette: Well, Mr. Speaker, the convention that was held in Ottawa was not held for the purpose of the assimilation of one group but for the purpose of an understanding between both elements, and that is the reason why the title of assistant to the national leader was chosen.

All that was made abundantly clear to the public, and I stated at the convention that it was a matter of having the French speaking group represented in the national Social Credit movement.

Those are the facts. When we left Ottawa we said: two leaders representing both elements in Canada.

Mr. Speaker, among other papers, I could quote *Le Devoir:*

As we are speaking of Mr. Stanley Knowles, we might as well exhaust the subject. It is common knowledge that the member for Winnipeg North Centre is one of our leading experts on parliamentary procedure.

I take my hat off to him on that point.

Mr. Knowles also has the well-earned reputation of being a straightforward man, and one of the most responsible members of the parliament of Canada.

An hon. Member: A real flirtation.

Mr. Caouette: No flirtation at all; just cold facts.

Mr. Deputy Speaker: I am sorry to have to interrupt the hon. member, but his time is up.

An hon. Member: Go on.

Another hon. Member: Order.

Mr. Deputy Speaker: The hon. member may continue with the unanimous consent of the house.

Some hon. Members: Agreed.

Mr. Caouette: Thank you, Mr. Speaker. I am grateful to my hon. friends for their courtesy.

These qualities give a special value to the attitude of Mr. Knowles in the Caouettistes case in the House of Commons. Mr. Knowles voted against the majority which, in the committee on privileges, denied to Mr. Caouette's group the position to which it is entitled by right.

Mr. Knowles had no trouble refuting the specious arguments brought up by the Liberal majority, supported by Mr. Thompson, to justify the unfair treatment inflicted on Mr. Caouette and his group. The well-known fact that the member for Winnipeg North Centre has absolutely no sympathy for the ideas of Mr. Caouette and his friends only serves to add weight to Mr. Knowles' opinion.

I might add that I recognize the frankness of the hon. member for Winnipeg North Centre and I can assure him of the same courtesy on my part as regards his doctrine which I do not share.

Mr. Speaker, I shall close my remarks by asking everybody, all the members of this house and especially the Liberals—for the

matter is in their hands, that, we are finding out; the matter is in your hands—I ask you, as an elected representative—we do not want a precedent to be created—in the name of the people, I ask you, as an elected representative, to consider seriously what you are about to do, because the step about to be taken today concerns one of the most fundamental matters of principle of democracy, one which might rise again in a few years.

We are asking that justice be done, we are asking to be recognized for what we are and not otherwise. We are 13. Grant us the same privileges as to any other group in the house.

In the name of democracy, I hope that you will recognize this matter of principle which is so highly considered in Canada.

Mr. Gerard Girouard (Labelle): Mr. Speaker, may I remind you that it is six o'clock?

[*Text*]

Mr. Pickersgill: I wonder, Mr. Speaker, if every hon. member of the house recalls that we meet again at seven o'clock?

Some hon. Members: Six o'clock.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 7 p.m.

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I regret that the hon. member for Winnipeg North Centre (Mr. Knowles) is not in the house at the present time, because, I would have liked to thank him for his kindness as he seems to hold me in high esteem.

Besides, I would have liked to convey to him the expression of my feelings and tell him that I consider him as a great parliamentarian and a man of outstanding merit.

I would have asked him also where the amendment he has moved will lead us, and how this amendment can improve the situation.

I would also have taken the opportunity to tell him how I admire a man like him who, in the name of high principles, traditions and established precedents, maintained in 1962 that the New Democratic party should have precedence over the Social Credit party, while this year, in the name of the same high principles, the same traditions, he claims that it is the number of members which should be taken into consideration in this house. I would have liked to commend him for his logic.

I would have also congratulated him for having told us he had acted without any personal interest at the sittings of the committee on privileges and elections.

Personally, if I had been a member of the New Democratic party, I admit that with my human weakness I might have said: let both parties be recognized, so that a reconciliation will become impossible and that I shall be always assured to keep the third place in the house.

Mr. Speaker, the purpose of the amendment introduced by the hon. member would be to defer to the committee on privileges and elections the consideration of the matter now before us, that is to determine whether the group under the leadership of the hon. member for Villeneuve should be recognized as a party in this house.

Mr. Speaker, in the face of this amendment, we have to ask ourselves why should we refer this report to the committee on privileges and elections. And if we did so, what would happen?

The hon. member for Winnipeg North Centre has admitted himself that such was the motion he had introduced in the committee on privileges and elections. In addition, he admitted that he was putting forward the same arguments which he had put forth before the committee on privileges and elections and that his amendment had been defeated.

Consequently, I would have liked to ask him what results does he expect if we returned to the committee on privileges and elections with the same problem and the same amendment. I would also ask him what they would have done faced with such a situation.

Mr. Speaker, in order to imagine what would happen should the report be referred back to the committee on privileges and elections, let us think about the position of our various parties during the committee's sittings, while the report was being discussed. Once again, I congratulate the members of the New Democratic party, who without any personal interest at stake and I believe on that point the hon. member for Winnipeg North Centre asked us to accept their suggestion, and to admit that, within these precincts, numerical preference should be granted.

On the other hand, what was the Conservative stand in the committee on privileges and elections? Once more, with strength and courage, with foresight and quite unanimously, the members of the Conservative party rose and exclaimed: Let us dump all this into the Speaker's lap.

We might also ask ourselves whether those Conservatives would be just as brave and proud if we were now in the privileges and elections committee. Would they still say:

"Let us dump all this in the Speaker's lap; the government will be held responsible and we will be able to play politics."

Mr. Speaker, what would be the attitude of government members if the report were to be referred to the privileges and elections committee for consideration? They are the only ones I cannot congratulate because if they had wanted to follow suit, they could easily have said: "Let us recognize all groups and we will be acclaimed as the saviours of the people. Let us consider only the political aspect of the question."

Mr. Speaker, I must criticize government members because, as you can see, instead of doing that they stupidly decided to act fairly and equitably, to follow the voice of their conscience and to settle the problem as fairly as possible.

And what would their position be if the suggestion of the hon. member for Winnipeg North Centre was accepted?

Of course the hon. member for Winnipeg North Centre spoke to us about the press. He stated that the press seemed to exert some pressure to the effect that the group of the hon. member for Villeneuve should be recognized.

We have even heard a great friend of newspapermen, and of the Canadian Press, that is the member for Villeneuve (Mr. Caouette). He told us: but listen, the press wants us to be recognized.

However, Mr. Speaker, I wonder whether the hon. member for Villeneuve would have felt able, this afternoon, to repeat to newspapermen what he said during the whole election campaign: tell me who pays you; I shall tell you whom you serve, and nothing else.

Mr. Caouette: Mr. Speaker, I rise on a question of privilege. When the hon. member for Labelle (Mr. Girouard) credits me with the words: "Tell me who pays you, I shall tell you whom you serve", he has no right at all to imply anything about me, and if he will ask himself this question, he will probably find the answer.

Mr. Girouard: Mr. Speaker, I will not put the question of privilege, because the one who inflicted the slight is not worth the trouble.

Mr. Caouette: It was much better than that before the election.

Mr. Girouard: Mr. Speaker, let us go on with the matter that concerns us.

I think that the columnists of certain papers, and the commentators of certain political parties in the house just forgot one thing. The motion submitted to the committee on privileges and elections did not want to deprive anybody, no member of this house, of the rights and privileges they had before. The group which have now decided to follow the hon. member for Villeneuve (Mr. Caouette) always had their seats in the house, and always had the opportunity of sitting here and enjoying the privilege of free speech.

The other day, I heard the hon. member for Lapointe (Mr. Gregoire), tell us: "The hon. member for Red Deer (Mr. Thompson), has been pulling my coat long enough to make me sit down"; I might say, Mr. Speaker, that the hon. member for Red Deer, with all his diplomacy and parliamentary poise, has endured the politicking of the hon. member for Lapointe long enough. I shall say in a few moments what I mean by that. I shall state later on what I wanted to say when I was speaking of poor Quebec and of the poor French Canadians.

What the newspapermen also forgot, when they spoke about those privileges, was to mention that hon. members who followed the representative of Villeneuve always had the right to speak in parliamentary committees. They also forgot something else: that those gentlemen, when they followed the hon. member for Red Deer, also had the right to go and represent Canada abroad, which the hon. member for Lapointe has been doing for the party two or three weeks in New York without being authorized by his party.

Now what does the hon. member for Lapointe want? The hon. member for Lapointe and his group are not clamouring for the privilege of free speech, because they always had it. They are not demanding the privilege of sitting in the house, because they always had it too. So what do they want?

The hon. member for Lapointe wants more than that. He and his group want all the privileges of a national party, organized on a national scale, which nominated candidates in the election under a national party label, and was elected.

When I hear the hon. member for Villeneuve state that the Ralliement des creditistes has been in existence since 1959, and that the national Social Credit association is not a party, Mr. Speaker, I would ask the hon. member for Villeneuve the following question: If, since 1959, the hon. member for Villeneuve was leader of a party, the Ralliement des creditistes, what was he doing at the 1961 convention? Did he go there as the would-be leader of another party or of the Social Credit party?

As to the suave and admirable Leader of the Opposition (Mr. Diefenbaker), we shall have to say something about him. The admirable and suave Leader of the Opposition has had great fun watching what is happening in the house. He enjoyed seeing the hon. member for Villeneuve and the hon. member

for Red Deer sitting next to each other although they no longer belong to the same party.

I also would like to point out to the suave and admirable Leader of the Opposition that, when the hon. members for Red Deer and Villeneuve are sitting beside each other, they know who is their friend and who is their enemy.

I do not envy the position of the official Leader of the Opposition who, in his case, is sitting among 94 members who might want to chop him any minute.

The Leader of the Opposition is amused to see that there is some distress within our ranks and that a small party is torn by internal dissension. The Leader of the Opposition is making fun of the difficulties in our party and that helps him to hide is own troubles. Before a point of privilege is raised, I would like to explain what I mean. I simply want to say that when one's party is having trouble, it is much preferable to clean one's own house before butting one's nose into the neighbour's house.

The member for Winnipeg North Centre (Mr. Knowles) moved an important amendment, and the Leader of the Opposition said: "Beware, hon. members on the treasury benches, because you hold the balance of power, and if you vote on the motion, you will be the ones to take the responsibility."

I understand, Mr. Speaker, that the opposition should be frightened, that its leader should tell the government to take its responsibilities when his own party, for the six years they were in office, refused to take any.

If, today, the government is told: "Beware, do not take your responsibilities", one is simply asking the party in office to do exactly like the people rejected not so long ago on April 8 last.

Mr. Ricard: Give us another turn at bat and you will see.

Mr. Girouard: Mr. Speaker, I was just coming to the most important point. It will serve as a reply to that: "Give us another turn at bat and you will see."

We heard, this afternoon, the member for Villeneuve talking of a bargain with the Liberals. It is funny, Mr. Speaker, to hear the words bargain, compromise, sell-out, in the mouth of the member for Villeneuve, while the members for Roberval (Mr. Gauthier) and for Shefford (Mr. Rondeau), were calling me a "traitor". This word, in their mouths, had a familiar sound.

I am wondering, Mr. Speaker, whether the death of a man well known among us, Senator Drouin, gives the member for Villeneuve leave to talk of compromise, of bargains with the Liberals, of agreement—

[Mr. Girouard.]

Mr. Caouette: Mr. Speaker, I rise on a point of privilege.

An hon. Member: Scratch and it will hurt.

Mr. Caouette: No, it does not hurt. I believe that Senator Drouin who died recently deserves our praise.

This is my point of privilege: When the hon. member for Labelle starts making innuendoes—I believe that the remarks he has just made are ill-advised—and, in my opinion, Mr. Speaker, the hon. member for Labelle should be asked to withdraw his remarks immediately, because I have not had anything to do with things like that and I never said that he had sold out to the Liberals. I never said that this afternoon.

Therefore, I ask the hon. member for Labelle to be at least honest and if he really feels he is intelligent, he should withdraw.

Mr. Girouard: Mr. Speaker, if the hon. member for Villeneuve will tell me the words I should withdraw, it will be a pleasure for me to comply.

Mr. Caouette: The hon. member for Labelle talked about a compromise with Senator Drouin and he also claimed that I had said the hon. member, or some hon. members or the others like him had sold out to the Liberal party. I never said that.

Mr. Girouard: Mr. Speaker, if those are the two terms the hon. member for Villeneuve would like me to withdraw, I will do it gracefully.

Now, we are getting to the crux of the matter. For the last week, or 15 days or maybe the last three weeks, if you read all the papers or listen to the radio or watch television, you have heard the hon. members for Lapointe and Villeneuve talking about the poor French Canadians who have not been recognized in the house. I even heard the hon. member for Lapointe state: "If there had been only one English speaking member in our group, we would have been recognized."

Mr. Speaker, when I see the Caouettists play on nationalism or even racism on a mere question of privileges in this house—privileges they already enjoy, by the way—I must say: "Poor French Canadians".

When it was profitable to talk in Quebec about the union of electors, about the white berets, there was talk about the union of electors and about white berets. When it was profitable, in the province of Quebec, to talk about Social Credit, there was talk about Social Credit. When it was profitable, in the province of Quebec, to talk about the Ralliement des creditistes, there was talk about the Ralliement des creditistes. When it was profitable to talk about nationalism, there was talk

about nationalism. And today, it seems more profitable to talk about separatism and there is talk about separatism. I will even go further, Mr. Speaker. If it seems profitable to go along with socialism, then they join with the "Ban the bombs" group and they organize a big demonstration. If, some day, it becomes more profitable to talk about communism, then I say: "Poor Quebec, poor French Canada."

Today, Mr. Speaker, the government certainly has to take some responsibilities, and so has the House of Commons. But I wish to say this: Decisions are always hard to take, and if the German democracy had taken its responsibilities in time, we would have avoided two world wars.

Mr. Speaker, the hon. member for Lapointe jumps on his horse and starts talking about bilingualism and about the poor French Canadians. I should like to remind the house that no longer than a week ago, in the committee of privileges and elections, we witnessed a comedy. Here it is:

Mr. Chairman: Will you excuse me, Mr. Gregoire? Is there a translator here?
Mr. Robichaud (translator and interpreter): I am here.
Mr. Gregoire: I will translate.

After that, you will see the hon. member for Lapointe come into this house and say: Give us interpreters, the two nations must be put on the same footing.

I know that the two nations must be put on the same footing, and I myself want it, but I forbid any French Canadian to use undeserved titles to satisfy his political ambitions.

Mr. Speaker, let me quote from page 69 of the report of the committee on privileges and elections:

Notwithstanding the resolution passed on October 3 to the effect that English- and French-speaking reporters attend all regular meetings of the committee, it is now moved that we proceed for the time being without a French-speaking reporter.
Mr. Leboe: I so move, Mr. Chairman.

At that time, I asked the hon. member for Lapointe, in order to avoid any point of order, if he had any objection, so that the matter would not be raised later through the newspapers and the radio. Here is the answer of the hon. member for Lapointe:

The member for Labelle knows full well that if I have any objections to make I will make them, and if I do not make them, then...

Then, it is pressing, Mr. Speaker, to be recognized as a party. They do not care about bilingualism. What is urgent is not bilingualism, but to be recognized as a party. Then, they return in the province of Quebec and in my constituency, and they say: The poor French Canadians are ill-treated in Ottawa.

Mr. Speaker, I think the time has come to put an end to the situation. Moreover, I wish to state that the people who were present in the committee had convictions, and the proof is that several came and told me—and I pass on these remarks to the hon. member for Villeneuve, for whom I have nevertheless a certain admiration—that, had it not been for the cowardliness of the member for Lapointe —and I am in a position to prove it—the Caouette group would have had more chance to be considered.

I can assure you that had Voltaire been present, he would have come out of his grave upon hearing the statements of the hon. member for Lapointe.

An hon. Member: Henri Bourassa would not have done that.

Mr. Girouard: Someone mentioned Henri Bourassa. Well, I am going to speak about him. At the time when he was the Liberal member for Labelle, seeing that the Liberal party did not meet his own aspirations, he simply withdrew. He withdrew without claiming anything, without any privilege. And he fought till the end of his days for the French Canadian fact. That was Henri Bourassa.

When the hon. member for Quebec-Montmorency decided there were certain things he could not accept in the Social Credit party, he withdrew as an Independent and asked no other privilege than to sit as a member in the house; and he obtained it.

Before concluding my remarks, may I be permitted to come back to the argument I put forward in the committee. Today I put the same question to the house. If a member of the Social Credit had withdrawn and claimed the privileges of a national party, it would have been a mockery. If only two members had withdrawn asking the house for privileges, once again, they would have been the laughing-stock of the house. If only three or four had withdrawn, then again, they would have been open to ridicule. Tell me, then, what is the difference if there are 13 members involved today in this matter? Does the number alter the situation?

May I recall a remark of the hon. member for Rimouski (Mr. Ouellet): "Mr. Girouard, I am glad that we are only 11 in the party because there is no room then for a betrayer."

Mr. Speaker, I agree that this is a matter for the party in power to decide. Well, here is what I say to the party in power: assume the responsibility. Time has come for Canada to have a government which accepts its responsibilities. Of course, the legislation may not be the best but, at least, we shall have a government which knows how to accept its responsibilities. Some people in the

house will be dissatisfied with the decision taken whatever it may be. Whatever the solution is arrived at by the party in power, some will still be unhappy, since you cannot please everyone.

Mr. Speaker, I should like to conclude on this note in saying that, nowadays, if some members go around the province of Quebec trying to lead the Quebec French Canadians to believe that they have nobody in the house to support them I contend, as a Quebec French Canadian, that there are still some French Canadians in the house and that it is not with contention that someday we shall achieve unity between our two great nations but rather with kindness and charity.

Mr. Guy Marcoux (Quebec-Montmorency): Mr. Speaker, as an independent member, I would like to express some independent ideas on the problem now before us, but I want, more particularly, to rise above every personal consideration and every political advantage from which a group in this house might benefit.

We are told that this is an important question, but I am not ready to admit that statement, only that it is a matter of consequence, which means that the decision taken today, or tomorrow, or in six months from now, will have repercussions in any future debate which might take place in the house if it had to face an identical issue.

We know that British procedure is based on a great number of precedents. This precedent, which might or might not be created here, will have extraordinary consequences in the future.

But I would like, here, to tell the hon. member for Winnipeg North Centre that I have as much admiration for him as all the others, and in this all hon. members in this house will support me, even if he said that some considered him a nuisance. As far as I am concerned, I do not think so. For, even if it might sometimes be said that our business has been to a certain extent delayed by his remarks, we recognize his integrity and ability.

Yet, I think that today—and, after all, he might make a mistake even after several years of parliamentary experience—he voiced somewhat dangerous implications in the house, when he suggested that the fact of not recognizing that new group would jeopardize democratic rights, and that it was an impingement on free speech.

Such a thing has never been considered.

The matter which the committee and the house have to decide, is not so much to know whether or not there should be deprivation of the right of speech, but to see whether the new party which has, as we know now, been formed following the last election is to be recognized or not.

As you realize, my argument is entirely above the parties or the persons concerned. This is a question of principle. And I would even say that if the division had decided that the group we still recognized as the Social Credit would include 15 members and the other group, nine members, there would be no more reason to recognize the new group than there is today. It is merely a question of parliamentary procedure, which is not written in the laws, which is written nowhere, but which has built up gradually through precedents over the years.

The Leader of the Opposition (Mr. Diefenbaker) stressed out the admiration he had for Sir Wilfrid Laurier and I suppose he has the same consideration for the right hon. Mr. King. And Mr. King himself said —I shall not quote his remarks word for word not to take too much of the time of the house—that he would not contribute in the house to the establishment of new parties because this would lead to anarchy.

As for democracy, it is something that is built up at the constituency level by the voters. We are elected by democratic procedure. And in the House of Commons, we must follow the regulations even if they are coercive.

I remember last year, when I was whip of the party, and I would meet with the hon. member for Winnipeg North Centre; in order to decide about the number of speakers that would take part in a debate, after consultation, we would agree on three Conservatives, two Liberals, one member of the New Democratic party and one Crediter. But, afterwards, if there was a change, nobody clamoured that his rights were flouted or that he had been deprived of his democratic rights. All followed or stuck to what had been agreed upon or set up in advance.

I should like to draw to the hon. members' attention the fact that the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles) is very clever, most misleading—I do not mean like the hon. member for Villeneuve (Mr. Caouette), especially, but most misleading.

The point is not to determine the privileges of the present members, but the privileges of a recognized group. It is known that there are privileges and concessions which are granted out of courtesy and not out of respect for democracy. The legislation which set them up is nothing other than precedents.

It is said that the government must take its responsibilities. That is another way of changing the subject. Those who have to take responsibilities are the members of parliament. Legislation is passed by parliament and not

by the government. When the Conservatives had 208 members in the house, it was not the Conservative party or the government which passed the legislation, but parliament.

The hon. member for Winnipeg North Centre suggested that parties are not mentioned anywhere in the election procedure. I imagine that this did not happen only in my own riding. But the hon. member is so well informed.

However, when I reported to the returning officer in my constituency, I had to state the name of the group for which I was running. I could have written Conservative, Liberal, N.D.P. or Social Credit. I would have to go and see the returning officer to see the form I filled out to indicate under what label I was running. I was running for the Social Credit party.

I must also say that the posters we affixed as long as we were allowed to do so, also had the name of the Social Credit party printed on them.

It does not follow that because a group with a provincial name joined a national group for the purpose of an election, should not be recognized as a national party. Nobody ever challenged this. It is for us to decide whether it is in the public interest and in the interest of the country's future to recognize any new party which has never been through a general election, not even a by-election.

In this connection, I shall recall the words of Mackenzie King who said following a by-election where one more member had been elected to parliament: "It is not because a candidate won a by-election that he should be recognized as a group." There is no reason for that. Precedents can be set and can become law as far as our procedure is concerned. If we make a decision that alters the meaning and the spirit of the previously established procedure, we shall create a precedent that others will put forward.

The Leader of the Opposition referred earlier to Mr. Manion who was elected to parliament, became party leader and was replaced by Mr. Hanson while still sitting in the house. This simply proves that the party had chosen a new leader, it does not prove that the new party leader was recognized or that this new member of parliament or this new leader had formed a new party.

Now, the hon. member for Winnipeg North Centre proceeded with his logical demonstration and he finally put the blame on the Liberals, whether the Liberals were to accept the committee's recommendations or not, while in the remainder of his speech he tried to prove that we were not members of a party, but rather individuals elected as such. I do not see why the responsibility should be taken from a party to be shifted upon a member, and then taken from a member to be thrown again upon a party.

I think the hon. member forgot what he had said previously in his speech when he came to that pathetic appeal, when he pleaded the cause of the Ralliement des creditistes.

Then, Mr. Speaker, I do not want to speak at too great length on the subject. As a French Canadian from the province of Quebec, I merely wanted to prove that regardless of parties, regardless of the motion, it is possible to calmly debate a subject of such importance which will be of such consequence.

I wish to associate myself with the words of the hon. member for Labelle (Mr. Girouard) and say that I believe that I am a first class Canadian, a first class French Canadian. I also believe that I am a first class representative of the province of Quebec and I intend to work for the province of Quebec as much as for the remainder of the country, because I consider that I am part of a whole and that I am also part of another whole as far as the province of Quebec is concerned.

I wish everyone to know and especially that it appear in *Hansard* that it is not because we are logical with ourselves that we should be considered as traitors, or as abdicators or as renegades or as those who give up their own nationality to gather around racists. No.

The arguments which I put forth, because I am alone, and I think it is the first time that I have the honour of speaking on behalf of my party, are merely intended to bring back the debate on a logical basis.

And what will happen in the province of Quebec where newspapermen still wish to grant recognition to the Ralliement des creditistes not in a spirit of justice, but to be in a better position to demolish them? Even if these people try to put forward some arguments in favour of the recognition of a fourth party, in my opinion, we should not care, because there will certainly be some consequences, in one way or another, in all constituencies and even outside Quebec.

Consequently, let us assume our responsibilities and let us limit ourselves to the consideration of the present problem and not of another completely different one. We should not be afraid. The members of the government side and those of the official opposition should make their own decisions and vote freely. In my opinion, nothing can stand in the way of such a position, if we really want to settle this problem in a democratic way.

Mr. Speaker, before closing, I wish to deal with another matter.

This afternoon, reference was made to the years 1891, 1910 and 1911. May I recall to the house that at that time there were no

microphones or loud-speakers and I wonder if the members would readily give up the microphones and the loud-speakers, simply because at the time of Laurier, Manion and others, they were in existence. Certainly, this does not allow us to say that, inasmuch as in the past certain parliamentary procedures were accepted, it follows that they must be accepted today.

Now, I will point out that those remarks were completely out of order, because it was a discussion on parliamentary procedure of that time instead of a debate on the matter now before us.

Mr. Speaker, I ask every member to take his responsibilities, to analyse the problem in its proper perspective and to answer the question asked by Mr. Speaker, that is, to submit that problem to the committee on privileges and elections.

Mr. Gerard Perron (Beauce): Mr. Speaker, I would not want the house to get the impression that, if I make a speech now, it is apparently to protect the hon. member who, a while ago, refused to accept the challenge contained in the question of privilege raised by our leader, the hon. member for Villeneuve (Mr. Caouette). However, before going into the heart of the matter, I have a few comments to make, following which I hope we shall be able to resume the discussion while putting aside all political partisanship.

Some of our friends opposite seemed to attach a lot of importance to tradition and brought out the historical argument that we should not forget that the step the house was about to take was of the utmost importance for the future.

Mr. Speaker, in the early part of the present session, time and time again, we offered suggestions for the revision of our parliamentary procedure, and I think we all agree that such a revision is necessary.

I also believe that perhaps we should stop considering only tradition when the time has come to defend a cause. It seems to me we should turn our eyes toward the future. And I say to my hon. friends opposite as well as to those on this side of the house that the political future of our country should be regarded not as something to be taken for granted but as something to be looked after now.

The fact is that, in accord with democratic procedure, the Canadian people send representatives to this house at the national election. At that time, only the names of the candidates appear on the ballots; no mention is made of party allegiance.

And if we cast a glance at the future of our country, I feel we must cease giving so much importance to this tradition or to this two-party system. The existence of a political group such as the New Democratic party or the Creditistes should be recognized as an actual fact.

After all, whether we be Liberal, Conservative, Social Crediters or members of the New Democratic party, are we not the elected representatives of the Canadian people in this house?

By the way, it is probably with such a vision of the future that on the 28th of June last, Bill No. C-91 was introduced, tending to the recognition as a group in this house of a party of 12 members in the House of Commons under the direction of a leader recognized as such by them.

Mr. Speaker, one seems to be bound by tradition when one finds it suitable, otherwise one does not think of it any more.

The hon. member for Quebec-Montmorency (Mr. Marcoux) said earlier in his remarks that we should uphold tradition. But, at the end of his speech, he is not interested in it any longer.

He gave as an example simultaneous interpretation and asked hon. members whether they would prefer to go back to the old days and have the interpretation system abolished. Yet, he himself had suggested a little earlier that we go back. I wonder, then, whether he was not contradicting himself.

Mr. Marcoux: Mr. Speaker, I rise on a point of order. I should just like to point out to the hon. member for Beauce that I was not referring to the system of simultaneous interpretation but to loud-speakers and microphones.

Mr. Perron: As for the hon. member for Labelle (Mr. Girouard) he did nothing but whine. I could not quite make out what he wanted to say.

Since he has good friends on this side of the house, I was wondering whether he was not turning his back on those who were his friends until lately.

The hon. member for Labelle should remember that he represents the riding that sent Henri Bourassa to the House of Commons.

Moreover, not so long ago, that constituency was represented by an independent who was a member of a fairly nationalist group.

Mr. Speaker, hon. members should not imagine that nationalism is the only thing we think about. On the contrary, we think as Canadians. And to refute an argument that was raised this afternoon to the effect that our group consists only of members from the province of Quebec, I would ask: Is the province of Quebec not part of confederation? Is the province of Quebec not part of the Canadian nation?

As members of the federal parliament, we have a right to speak for the people, to be respected and to account for our mandate to our constituents.

Mr. Speaker, by means of arguments which I would call absurd, the hon. member for Sherbrooke (Mr. Chapdelaine) has tried to illustrate the nonsense of the situation with which we are faced today. But I wonder what would be the issue if he and all the supporters of the hon. member for Red Deer who were elected with the help of the Ralliement des creditistes went before the electorate.

Mr. Speaker, anyone wishing to know anything about the Ralliement des creditistes only has to refer to the records of the returning officer for each riding or those of the chief electoral officer and he will see all the receipts for expenses made during the general election of June 18, 1962, and that of April 8, 1963. Official receipts, signed by an officer of the Ralliement des creditistes will be also found, accounting for all election expenses incurred in any county in the province of Quebec.

Besides, a simple check with television stations will show what programs were reserved and paid for by the Ralliement des creditistes.

Therefore, we are compelled to admit that we have been elected in our respective counties, under the name of candidates or members of the Ralliement des creditistes, even if the name of a party did not appear on each ballot.

To say that we act in bad faith and under false pretences is wrong. In fact, in my county I am known as the member of the Ralliement des creditistes, during election time as well as afterwards.

I feel it is my duty—as it is the duty of any member in this house—to be a true representative of the people, and to make their wishes heard from one end of the country to the other.

Mr. Speaker, it has even been said that we are separatists. We are simply striving to defend the rights of Canadians, of all Canadians, and we are known as Canadians throughout the country.

Mr. Speaker, it is indeed very strange that after some speeches we have heard here, the press has followed suit, and spoken of a split in our party. A year ago everybody seemed to be waiting just for that. People were wondering who would come first, the member for Villeneuve, with his 26 followers from the province of Quebec, or the member for Red Deer and his three members from the west?

Everybody was hoping for a split. When it became obvious that we were taking a firm stand, because we could see eye to eye on certain points of organization, or on a few basic tenets, people started to lament and seem to listen more willingly to the whining we heard a moment ago, to the effect that we are divided.

If we are divided, I feel that in view of the principles of democracy, it does not belong to political opponents or to those who are sitting on the house committee and who act as witnesses and judges to make decision.

I believe, Mr. Speaker, that we are answerable to our constituents. Thus, I believe that we should forget all partisan politics and consider the political action taken as far as legality is concerned. Then, let us restrict our discussion to legality under Bill C-91 which was passed on July 26 last and which, for the first time in Canada, defines what a parliamentary group is entitled to in the House of Commons, that is a group comprising 12 persons is entitled to have a leader recognized by parliament.

If we want to base our judgment on that, I believe that we will very soon find a solution, while it will be the opposite if we start entertaining all sorts of considerations and if we consider traditions.

In addition to legality, let us also examine the issue in terms of the future. It is good to examine the past, but we must also face the future.

As I said at the beginning, if the two-party system is a thing of the past, I still believe that we should look to the future so as to find ways to establish a political continuity in this house. If the continuity in the house is to be ensured according to standards of democracy, I believe that it is time for us to recognize the rights and privileges of other parties in the house, as defined by Bill C-91.

The two-party system has prevailed here since 1867, this I will grant. Through the operation of that system, the ball was tossed back and forth and the parties were charging each other with all sorts of things, and the same charges were picked up by the official opposition when it was its turn to act in that capacity, and when it had a chance to get back into office, it was the target for the charges levelled at them by the party which had moved across the floor to make up the official opposition.

Six months ago, charges were simply displaced by a change in the seating arrangement in the house.

The two-party policy has come to an end in Canada. Let us now look at the political future of this country from another angle. The parliamentary policy of the house is not unknown to the community.

Last autumn, when the session started on September 27, 1962, all political groups advocated a revision of the rules dealing with

parliamentary procedure. Let us therefore recognize the groups representing the voice of the people in this house: those groups are certainly entitled to a better future, that of a party or group which can vote, or if it wants to do so, impede the progress of public business in the house.

Parliamentary procedure to be approved today should be considered in this light. We are living in the twentieth century. Different ideologies are abroad in the world.

Let us admit in this house the voice of the people who have the right to be heard through their representatives, in order to attain a continuity of economic and parliamentary thinking in Canada. We should try to reach this aim and proceed with a full revision of our standing orders.

I therefore ask for a recognition based on justice and legal order, as defined in Bill C-91, which was approved by hon. members.

On that basis let us give relief to those who ask for justice, and let us stop talking about a thousand and one things except the problem which is now pointing towards the future and has to be considered carefully tonight, before taking the step which will definitely ratify the recognition of a group in this house, even if at this time that group is only represented by 13 members from the province of Quebec.

If we wish to keep the province of Quebec within the frame of confederation, Mr. Speaker, I think we should all unite more than ever and look towards the future in the hope of securing a revision of the rules and regulations of the house which would recognize the wishes of the people through the instrumentation of the various groups in the House of Commons. Whatever their position, these groups deserve and demand recognition. They base their claims upon Bill No. C-91, under the terms of which they demand justice based upon logic.

[*Text*]

Mr. John N. Turner (St. Lawrence-St. George): Mr. Speaker, we address ourselves on this side of the house to the motion before the house arising out of the report of the committee, not in the emotional terms in which, quite understandably, those who are parties to the dispute have spoken, but as members of a jury that was constituted by the Speaker of this house to decide a question which was perhaps without precedent in the modern annals of parliament, either here or at Westminster.

Mr. Gregoire: Come to the point.

Mr. Turner: I will get down to that, Mr. Speaker. If the hon. member for Lapointe will contain himself for a moment, I will analyse just what the question was. Since he has been holding himself in reverse—

Some hon. Members: Oh, oh.

Mr. Turner: —in reserve, and perhaps in reverse. Perhaps we will have an opportunity of hearing from him at a later date.

An hon. Member: A later date?

Mr. Turner: Perhaps even this evening. In any event, the committee decided in the terms referred to it by the Speaker. Perhaps I might just for a moment refer to those terms. Referring to *Hansard* for September 30, the Speaker in posing the questions which the committee had to consider said this, as reported at page 3007:

> Have we a new party according to this new definition and, if so, has this party been recognized by the house? To my mind this is a question for the house to decide.

Then at page 3008 he says this:

> It is my duty, I believe, to bring to the attention of the house the novel character of the situation now before it, and more particularly the payment of allowances and the effect on the organization of parliament and parties and of the work of this house that naturally must be reflected by the emergence from time to time of new groups that invite the house to accord them the status of parties.

He goes on to say this:

> Profound constitutional questions arise; for example, can a group of members which did not exist as a party at the time of the election of a parliament be recognized as a party before it has submitted itself to the electorate?

That was the question referred by the Chair to the committee and to this house to decide. It is not merely a question of seating, if I might say so with the greatest respect to the hon. member for Winnipeg North Centre (Mr. Knowles); it is not merely a question of the physical arrangements of this house. If I might eliminate two issues at the outset from the crucial question before the house, I would say this. First of all the question of who gets the $4,000 payable to a leader of a party having at least 12 members, under the recent amendment to the Senate and House of Commons Act, is not a question that could properly be decided by either the committee or this house, and I think on that point all members of the committee were in agreement. In other words, this is a public statute; this is a statute that has to be followed by the comptroller of the treasury, and the comptroller of the treasury may of course refer the matter to the Deputy Minister of Justice. In any event, the matter of the $4,000 additional allowance is not a question before the committee or the house at this time.

As for the seating, the physical arrangements in the house, this goes merely to the

physical arrangements and it is not and should not be interrelated with the question of status or privileges to be conceded, or allowed, or granted to a new group in this house. The committee's report as submitted to the house does not decide whether the privileges of the house—that is to say, the privileges with regard to debate, orders of the day, or motions—are to be given to a new group. It merely recognizes that as a physical fact there is an independent group, independent of the existing Social Credit party, and for that reason it would be better for the good order of the house to seat them separately. It does not prejudge the case of whether the 13 members who left the Social Credit party proper are independents, or are necessarily a new group for the purpose of recognition by the house.

The main issue still before the committee and this house is, shall this new group of 13 independents, or 13 followers of the hon. member for Villeneuve (Mr. Caouette) be recognized as eligible for the privileges of the house? Within that context let us examine just what the committee did. First of all, it decided the seating arrangement as between the three smaller groups—the New Democratic party, the Social Credit party and the Ralliement des creditistes, or followers of the hon. member for Villeneuve. The committee had a straight choice. It could have chosen to seat those three groups either in order of numerical preference, or in order of seniority or historical precedence. The committee chose to report to this house that they be seated in order of historical precedence.

Mr. Nielsen: "Hysterical precedence".

Mr. Turner: Well, there is something to be said for what the hon. member for Yukon (Mr. Nielsen) says; but after all we are acting as a jury and not necessarily as parties to the dispute.

On the question whether the committee should have chosen numerical preference or historical precedence, the hon. member for Winnipeg North Centre recognized before the committee itself that, whichever way the committee decided, this would be an arbitrary decision and equally supported by precedent. As reported on page 28 of the transcript of the committee's evidence he said:

> As I say, this committee, and in turn the House of Commons when it receives our report, have these two types of precedents, one, that history and seniority of groups, which was followed in 1935 and in 1940, is the proper precedent, and two, numerical strength of the groups, as was followed in 1962 and 1963, is the precedent to be followed. The committee can decide either way.

In other words, there is nothing sacrosanct about either the way the committee reported to the house or, with the greatest respect, about the way the amendment is phrased.

Mr. Knowles: The committee decided both ways.

Mr. Turner: If I may address myself to the remarks of the hon. member for Winnipeg North Centre, the committee did not, with respect, decide both ways. It gave historical precedence, first of all, to the oldest of the three groups recognized in the house. Again, if I may use the words of the hon. member for Winnipeg North Centre, as he is reported on page 27 of the evidence:

> Our party was the oldest party and the members were the oldest members—

So therefore, even in the situation which arose in 1940 the C.C.F. party was the older party.

Mr. Gregoire: Would the hon. member permit a question? How does he judge which has seniority?

Mr. Turner: The hon. member for Lapointe asks me how we judge seniority, or historical precedence. I think that history speaks for itself. The N.D.P. party, or the C.C.F. party as it once was, is the oldest party of the group, in terms of recognition in this house; the Social Credit party is the second oldest and the Ralliement des creditistes is a new phenomenon. I think it is quite consistent with the facts that this report was based on historical precedence. In this regard I refer to no better authority than the hon. member for Winnipeg North Centre, as reported at page 27 of the committee's evidence.

Mr. Knowles: Would the hon. member permit a question? Does he mean by what he is saying that the New Democratic party should have been seated above the Social Credit party at the beginning of this parliament?

Mr. Turner: I might say in answer to that question that the hon. member himself said in the committee that it is an arbitrary decision, but either is a defensible one. Each is as justifiable as the other. If my hon. friend for Winnipeg North Centre is introducing an amendment based on numerical preference, I say that the committee in its majority judgment decided that the fairer way to do this, in the circumstances of the situation, a situation where we have a recent breakaway group, was to choose historical precedence or seniority before this house as a legitimate, fair and reasonable way of seating the three groups in question.

It is quite understandable, Mr. Speaker, why the hon. member for Winnipeg North

Centre takes such a flexible position, because for him and his party it is "Heads I win, tails you lose", either on historical precedence or numerical preference, in the light of this situation. With the whole range of facts before this house neither he nor his party could lose.

In other words, there has been no breach of principle as alleged by the parties opposite. The committee was entitled in its good judgment, after reviewing all the facts, to choose either of two sets of precedents before the house, and as a matter of fact it chose the precedent having the longest validity in this House of Commons and indeed in the house at Westminster.

There is some danger in following the amendment suggested and moved by the hon. member for Winnipeg North Centre. If we were to rely on numerical strength only, with the present strength of adhesion of the two groups to the dispute, namely Social Credit and Ralliement des creditistes, we do not know whether we would be playing a game of musical chairs, because we do not know how long the adhesive tape would hold.

Mr. Caouette: Why don't you do some counting?

Mr. Turner: The hon. member for Villeneuve says "do some counting". They are 13, which reminds me of a pack of cards—four suits, 52 cards in all. Perhaps the present alignment is just as solid as a pack of cards.

Mr. Caouette: Mr. Speaker, on a point of order, is the hon. member saying that we are not 13, or that he is going to decide how many we are in our group?

Mr. Turner: Mr. Speaker, the house has not decided whether this 13 is a group of 13 independents, or whether it is a new group, and the only reason I mentioned the number 13 was that it reminded me of a suit in a deck of cards, with the same type of solidarity.

[*Translation*]

Mr. Plourde: Would the hon. member allow me a question?

[*Text*]

Mr. Turner: No, Mr. Speaker, rather than answer any more questions I would rather go on and develop my argument; if there is time left I will answer any questions at the end.

Let us now leave the question of seating as decided by the committee. I submit that the decision was made within the principle of historical precedence in this house, and is fully justifiable and defensible on that ground. On the question of the privileges and status which should or should not be accorded to the 13 members following the hon. member for Villeneuve, this depends on whether this house is going to recognize this new group for the purpose of according it the privileges of this house. It is not merely a question of fact. It is not a question of whether there are 13 members or whether they profess loyalty to the hon. member for Villeneuve. Neither is it a question whether it is a new group. The question is: Is this group such that this house should at this moment give recognition to it for the purposes of the procedure of this House of Commons? It is not, as I say, just a question of fact; it is a question of recognition by this house.

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

Mr. Turner: Mr. Speaker, I would prefer—

Mr. Gregoire: It is just a simple question.

Some hon. Members: Sit down.

Mr. Turner: Mr. Speaker, in all fairness I think I have been generous already in diluting my time for the benefit of questioners. If there is any time left later on I will be glad to submit to the interrogation of the hon. member for Lapointe.

Now, Mr. Speaker, looking at this question of recognition for the purposes of the procedure of this house, this has serious implications. This is why the question was worthy of being submitted to parliamentary counsel for the advice and guidance of Your Honour. Why do I say it has serious implications? First of all, there is the danger that recognition of these 13 members as a new group would contribute to the eventual fragmentation of this house. Many commentators in newspapers have said: Give them their way; recognize them, and get on with the business of the house. But the committee feared that to do so would be to open the door to the kind of splintering of parliament which destroyed the parliament of France under the third and fourth republics.

Some hon. Members: Shame.

Mr. Turner: I hear groans from the smaller parties. But that is a type of special pleading. We are thinking, now, in terms of upholding the traditions which make for the responsible working of parliament. If the committee and the house were to give recognition to a group which has not received recognition by the electorate as being a group we would, I believe, be creating a precedent which would have dire results. There is nothing in the traditions, precedents or conventions of this house which demands that you, Mr. Speaker, should recognize the formation of new political parties or groups, or that you should accept breakaways from political parties already in existence during the life of a

current parliament. Only the people can create a party; and until the people have recognized, in an election, the existence of this new grouping I think it is within the rights of the committee and of the house to refuse to grant recognition.

Mr. Winkler: Would the hon. member permit a brief question?

Mr. Speaker: The hon. member has been generous in replying to questions but he is entitled to make his argument in silence, I think.

Mr. Turner: I am flattered that I have provoked a question from the chief whip of the official opposition, but perhaps it can be allowed to wait until later.

The second reason which was certainly in the minds of the committee, or of those on this side who voted in favour of the committee's report, was that the nature of the new group was not sufficiently clear. It was not certain, on the basis of the evidence given by the hon. member for Lapointe (Mr. Gregoire) whether we were dealing with a new party or an old party under new leadership, or—

Mr. Gregoire: On a question of privilege; everything which was said in front of the committee on privileges and elections is written here. If the hon. member for St. Lawrence-St. George wishes to quote what was said, well and good. I wish to draw attention, in front of the hon. member, to what appears on page—

Mr. Speaker: An opportunity will be given to the hon. member for Lapointe to speak later on. There is no question of privilege. The hon. member for St. Lawrence-St. George has the floor.

Mr. Turner: I have the actual words here and the hon. member will have a chance to make his own case in due course. However, I think that after a fair reading of the replies the hon. member gave to questions which I and others put to him in the committee it will be apparent that it is not clear what position the new grouping was taking, nor was it clear from the documentation we had whether we were dealing with a national party or a provincial party. In these circumstances the committee did not feel a case had been properly made out by the new grouping under the leadership of the hon. member for Villeneuve.

The third question the committee considered, when it made the recommendation it did, was whether a group of members splitting off from an old party could receive recognition before the people themselves, from whom all power flows, had recognized the new grouping. This was of such importance that the committee decided to defer the question to parliamentary counsel. The evidence in this respect was clear. The group under the leadership of the hon. member for Villeneuve had not fought an election as a separate group. The election was fought under the leadership of the hon. member for Red Deer. There was no national convention launching a new party. These were the facts which were presented to the committee. The hon. member for Winnipeg North Centre said in the committee that the people should decide and, within those limits, I agree. Before the committee or before this house can decide whether there is a new party, the people must decide.

Mr. Caouette: On a question of privilege. When the hon. member says we were not elected under the label "Ralliement des creditistes", he is wrong. We had conventions which were absolutely legal, and we were elected following those conventions.

Mr. Turner: Obviously, I have not the time in which to reply to all the interventions which, somehow, I am provoking from the other side. I ask all hon. members to read the evidence which was presented in the committee and to draw their own conclusions.

The Leader of the Opposition had something to say about this question this afternoon. He said, first of all, that the committee refused to face the issue. Let me say, in answer to that, that the committee did reach a decision, despite the fact that the party which the right hon. gentleman leads wanted to avoid the issue. I could quote from page 82 of the transcript of evidence before the committee. The hon. member for Yukon (Mr. Nielsen) had this to say:

> All I can see is internal strife within a political party and as such it is something which this committee should not meddle with and indeed, I doubt whether it has the power to do so.

In other words, the position taken by the Conservative party was that the matter should be sent back to the Speaker, with no action being taken whatsoever. The Leader of the Opposition quoted the famous maxim of Voltaire when he said: I do not agree with a word that you say, but I will defend to the death your right to say it. The answer to this, with the greatest respect, is that there is here no infringement of the right to speak of any member of parliament. The right of individual members to speak is untrammelled and unfettered. It is as great as it has always been. In any case it would take more than the rules of the House of Commons to silence either the hon. member for Villeneuve or the hon. member for Lapointe. The only restriction which is involved in the committee's decision is that the right to recognize certain hon. members as a group is, for the moment,

limited. The learned Leader of the Opposition (Mr. Diefenbaker) referred to the precedent of a member of a major party crossing the floor to another major party as a precedent for recognition of this kind. With the greatest respect, that has no validity whatsoever in regard to the present argument, because one party is already recognized, as is the other. The question here is: Is a party to have recognition; not whether we are to recognize a switch from one recognized party to another recognized party.

The question before the house is, should we give in to a new grouping just because we are threatened with filibusters, just because the hon. member for Villeneuve (Mr. Caouette) threatens that he may pull his party out of confederation. I do not think so. If they are responsible members of the house I believe they will accept with good grace the decision of the majority of the house, within the traditions and privileges of the house.

Mr. Caouette: Which majority?

[*Translation*]

Mr. Turner: Mr. Speaker, members of the Ralliement des creditistes claimed to be the voice of French Canada. With all due respect, I must tell them that they do not have a monopoly in that respect, because seven of their colleagues have chosen to follow the member for Red Deer.

Besides, our group has about 40 French speaking members who represent the basic common sense of the province of Quebec. Even the Conservatives have good members from Quebec, even though I must say they do not deserve them.

Consequently, I feel the Ralliement des creditistes has no monopoly in this respect.

[*Text*]

May I just say this in conclusion. As put so ably by the hon. member for Brant-Haldiman (Mr. Pennell), the committee's decision is open to these questions in the House of Commons this evening. Is it against the traditions of the house in Ottawa or Westminster? I think the hon. member for Brant-Haldimand proved conclusively that it is not. We have reached a decision with regard to seniority as to seating that is well within the precedents of the House of Commons. Is it discrimination against the province of Quebec? There is no discrimination whatsoever. Surely any decision made within the traditions of the House of Commons cannot be labelled discrimination against a recently constituted group.

In summary may I say that, within the realm of common sense and based on the evidence and facts presented to the committee, the committee in its best judgment tried to evaluate the matter within the limits of the traditions and the conventions of the House of Commons, and therefore I would urge members of the house to accept the report of the committee.

Mr. Speaker: I think it is obvious that the member who has just spoken made a very stimulating speech because there are at least five members who want to question him. I will not take them in order of precedence but rather I will take the member closest to the Chair first, the hon. member for Pontiac-Temiscamingue.

Mr. Pickersgill: Mr. Speaker, I rise on a point of order. I am wondering whether the house is in committee or whether we are carrying on an orderly debate here.

Mr. Martineau: On the point of order, Mr. Speaker, you have allowed the question and it is up to the hon. member if he wants to answer it. Would the hon. member accept a question?

Mr. Turner: Surely.

Mr. Martineau: I just want to know whether the hon. member was speaking on behalf of the government and on behalf of his party when he stated his position?

Mr. Turner: In answer to that, may I say the hon. member knows full well that I was a member of the committee. He also knows full well that I voted in favour of the majority report of that committee. I have spoken justifying the reasonableness and good sense of that report.

Mr. Winkler: I should like to ask the hon. member a question arising out of his remarks this evening. Does he really believe that his party has any regard for members of the House of Commons other than those of his own party? As he developed his remarks I must admit I became confused. I did not know whether he wanted to become a Thompsonite or a Caouetteist.

Mr. Turner: Mr. Speaker, I have been asked whether as a member of the Liberal party I have respect for other members of the House of Commons. In answer may I say I have so much respect for the members of the House of Commons that I want the traditions of the house preserved.

Mr. Winkler: You did not show it tonight.

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, may I ask the hon. member for St. Lawrence-St. George (Mr. Turner) a question, because I cannot follow his argument.

We, of the official Social Credit party, claim to have kept the Social Credit label.

There are 13 of us. I do not see how they can claim seniority since the hon. member for Villeneuve (Mr. Caouette) was elected in 1946 and did sit in the house from 1946 to 1949. They base their claim to seniority on the fact that the Thompson group had only three members elected in 1957.

Mr. Speaker: Order.

Mr. Turner: Mr. Speaker, when I made that reference to the matter of group seniority, I expressed the opinion that in that sense, the new group under the leadership of the hon. member for Villeneuve was a holiday product.

Mr. Knowles: Mr. Speaker, may I ask a question of the hon. member for St. Lawrence-St. George? Does he know of any previous occasion in the history of the Canadian parliament when the status of a political party in the House of Commons was determined by a vote of the majority of the members? If not, does he not think it would be wise to stick with the tradition of parties speaking for themselves, and the house confining itself to seating arrangements?

Mr. Turner: I would say in answer to that question that the house was charged by the Speaker with arriving at a decision. The type of decision may have been without precedent in the house, but we had to rely on what precedents there were in arriving at a decision for the benefit of the Speaker, and to the best of our judgment we came within the precedents that were available to us.

Mr. Knowles: A supplementary question. I think the hon. member still has time and would not mind another question. Does this not put the majority of the members of the house in the position of deciding, for the first time in our history, that certain parties are recognized as official and another one is not? Does that not put the majority in the position of deciding between first class and second class parties?

Mr. Turner: Surely the house is master of its own rules and if from time to time, short of unanimity, matters have to be decided by a majority decision under those rules, then I feel that is the way it has to be. Surely many precedents have been set by majority decision when a matter has been decided by way of an appeal from a ruling of the Speaker.

Mr. Gregoire: Mr. Speaker—

Mr. Lloyd: Mr. Speaker—

Mr. Speaker: Order. I do think the hon. member for St. Lawrence-St. George has submitted to quite a series of questions. After all this is a debate on a motion, not a debate in committee. If he wishes to answer questions, that is up to him, but I do think we are pressing the issue rather far.

Mr. Gregoire: I should like to ask the hon. member—

Mr. Lloyd: A question of privilege, Mr. Speaker, if I may have your attention. There has been a great deal said about privilege from a relatively narrow part of Canada. I should like the questions to end, so some thoughts might perhaps be expressed from the maritime provinces, if you so permit.

Mr. Speaker: Is there any hon. member in the house who wishes to speak now?

Mr. Richard Cashin (St. John's West): Yes, Mr. Speaker. Earlier in the day it was my intention to enter this debate and say a few words. However, after listening to the fine speeches delivered by my two colleagues, the hon. member for St. Lawrence-St. George (Mr. Turner) and the hon. member for Brant-Haldimand (Mr. Pennell), I decided there was nothing left for me to say.

Some hon. Members: Hurrah.

Mr. Cashin: Fortunately, Mr. Speaker, such is not the case. This afternoon the hon. member for Winnipeg North Centre proceeded to give his hit parade list of certain members he liked. He also seemed to question whether or not he was liked by the other members. I should like to assure him that I think he is not really a bad guy. This seemed to bother him, and he seemed to feel he no longer belonged or was wanted. I would not want him to have this feeling because, after all, it is a dangerous thing when people begin to wonder whether they are really wanted. None of us would want anything to happen to our good friend from Winnipeg North Centre.

The hon. member said he was making his stand on principle. I do not know that he had to say this. However, when he did say it, two questions crossed my mind. First, was this something new and, second, did he imply that those who did not agree with him were not motivated by principle? Well, Mr. Speaker, I believe that the doing of things on the basis of principle or in the right way is not the sole prerogative of any one group or any one individual. I feel strongly, on the basis of principle, that the decision taken by this committee was the right one. As I tried to understand the feeling of the people on this subject, judging from the mail I received it seemed to me that there was a body of opinion that seemed to say: Recognize this group; give them what they want for the sake of peace. This seems to me to be a very

poor reason for doing something in a particular fashion.

The hon. member for Winnipeg North Centre, in his questioning of the hon. member for St. Lawrence-St. George, was begging the question. Had the decision been to seat the group under the leadership of the hon. member for Villeneuve (Mr. Caouette) ahead of the group under the leadership of the hon. member for Red Deer (Mr. Thompson), then the argument could have been made just as easily from the same quarter of this house that that was the wrong decision. As was pointed out, the hon. member for Winnipeg North Centre himself said in the committee that there were two courses of action. As I was looking for some leadership on this problem, I was listening to him closely. He seemed to indicate that we could decide either way. If there was a good basis for making the decision either way, what then is an individual member of the committee or of parliament to do? How are you going to vote if there are two courses of action, both of which are based on precedents? How do you arrive at the right decision? We have to decide which is the better precedent. Perhaps other hon. members in the house will disagree with my view, but surely the hon. member for Winnipeg North Centre will not deny me the right to express it, and I say that I fear what has happened in this regrettable situation may have some disastrous effect on future parliaments. It seems to me that the decision made now should be made with some thought as to its effect on subsequent parliaments.

Accordingly, there seems to me to be a difference. I can see a genuine distinction which perhaps others cannot see. I see a distinction in respect of a group that has candidates in every part of this country who are elected to the house under a common banner, under a common leadership, who come into this house and sit as a group elected by voters who knew they would sit as a group, and who knew they would have this man as leader. I think there is a difference between this situation and this new phenomena in which parties or groups within the House of Commons break into small groups. I think there is a distinction here. I think the precedent of recognizing the senior parties was a wise one. Accordingly, I should like to see the house adopt this report.

Before I conclude, I should like to say this. I suppose there will continue to be those who rise and say: We do this on principle. This practice seems to have been going on for the 90-odd years of confederation, and if confederation lasts another 90 years it will continue. However, let us not forget that two men can do directly opposing things and actually believe that they are motivated by principle. Let us not get to the stage where members of parliament seem to be insinuating that they alone act on the basis of principle. I think this is a dangerous state of mind and a dangerous thing for the country.

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, in all objectivity and serenity, I should like to explain the reasons why, in my view, the "Caouetteist" group should not be recognized as an official party in the house.

Mr. Gregoire: Have you decided that all by yourself?

Mr. Choquette: Yes, I can understand very well why the hon. members for Villeneuve (Mr. Caouette) and Lapointe (Mr. Gregoire) are desperate at this point—they feel that the Socred circus is coming to an end.

Mr. Gregoire: You should know all about the circus. You had one going in Lotbiniere.

Mr. Choquette: Mr. Speaker, the main reasons why I think that group should not be recognized are the following: our ears are still buzzing with the voluble speeches by the hon. member for Villeneuve when he spoke on television to the auditors in the province of Quebec and it should be noted that I do not want to launch an abusive and violent speech against the hon. member for Villeneuve. I see in him a French speaking Quebec member of everlasting courage and dauntless energy. He often impresses us but, in my opinion, not enough to be entitled to bear the title of leader of a party in the house. When he campaigned in 1962 and 1963, he never stopped saying that Social Credit would come to power in Canada. Consequently, he wanted to give to his group, to his party, not a provincial dimension but really a national dimension.

An hon. Member: He was mistaken.

Mr. Choquette: And the member for Villeneuve, as well as his followers, have always asserted, it was thanks to a Social Credit administration if the province of Alberta had no debt whatsoever. He proclaimed that British Columbia had a marvellous administration. He said that the Canadian population was impressed by those Social Credit administrations. He advocated a Social Credit government to direct Canada's fortunes. Consequently, he intended to sit here in the house as a member of a national party. There was never any mention of the provincial Ralliement des creditistes.

This is an important point which must be pointed out. I claim that the 571,333 electors, to repeat the figure quoted by the member

for Villeneuve, who placed their trust in Social Credit in the province of Quebec, did so in the hope that this party could form a national government. But today, the population of Quebec knows that Social Credit could never form a national government, for Social Crediters are no longer trusted by the population and another election would prove it. In fact they will all be defeated in the next election.

Mr. Caouette: Are the Liberals so much stronger in Quebec now?

Mr. Gregoire: Call an election.

Mr. Choquette: We are ready any time.

Mr. Caouette: Enough of this idle talk. Call an election.

Mr. Choquette: Mr. Speaker, to give you a small sample of what would happen if an election were held, the standard bearer of the hon. members for Villeneuve and Lapointe, in Lotbiniere, lost his deposit in the last election and the Social Credit candidates will do the same in the next one.

Mr. Latulippe: Mr. Speaker, I would beg you to please ask the hon. member to stick to the question now before us because, at the present time, he is just playing petty politics. It is not a matter of politics, it is a matter of justice.

Mr. Choquette: Mr. Speaker, my hon. friend is accusing me of playing petty politics. Looking at him makes me want to try and play big politics.

I had sincerely decided to remain as calm and serene as necessary during my speech, but I see that my opponents are so hot-tempered, because they can anticipate that their end is close at hand, and they lead us against our will into a violent debate.

Another reason I should like to bring up to explain why I am against the party led by the member for Villeneuve being recognized officially in this house is that, in the province of Quebec, there exists a particular psychological context. The hon. member for Villeneuve is attempting now—and in this I shall agree with part of the argument raised by the hon. member for Labelle (Mr. Girouard) and the hon. member for St. Lawrence-St. George (Mr. Turner)—to be recognized as the sole defender of Quebec interests in this house.

The hon. member for Villeneuve cannot succeed in doing it, because during a meeting in Quebec East constituency he stated before 500 people—

Mr. Gregoire: 1,500 people.

Mr. Choquette: This exaggeration is so typical of the member for Lapointe—he cried out with all his might that, if the problem of his group is not solved, he will withdraw from confederation. Now, I maintain that a member saying such things is a bad Canadian.

Mr. Caouette: Mr. Speaker, I rise on a matter of privilege. I never said in Quebec or elsewhere what the hon. member for Lotbiniere just mentioned. I never said in Quebec or elsewhere that we would secede from confederation. I never made any statement to the effect that I was a separatist.

On the contrary, I have always expressed the opinion that confederation could survive providing that the two major groups in the country show understanding and mutual agreement. Nothing else.

Mr. Choquette: There again, this statement from the member for Villeneuve is a clear indication of his character. He never admits what he said and, when he does, it is because he does not realize it.

Mr. Speaker, I will never forget that during the last electoral campaign, while the hon. member for Villeneuve claimed that he had never promised a national dividend, we just had to refer to *Hansard*—I could not tell the page number from memory—to notice that he had, in fact, promised it.

Mr. Caouette: Mr. Speaker, I rise on a question of privilege. What the hon. member for Lotbiniere just suggested is wrong again. He is going far afield and I would suggest to him to revert to the matter under consideration.

Mr. Gregoire: And to be just a little more serious, Mr. Speaker, nothing else.

Mr. Choquette: Mr. Speaker, I must apologize for having departed from the matter under discussion. But allow me to point out that the hon. member for Villeneuve is to blame because he can never stick to a point himself.

Mr. Dupuis: Nor to a party.

Mr. Choquette: As I was saying, Mr. Speaker, the problem to be solved is simply one of internal strife within a political party.

In his speech, this afternoon, the hon. member for Villeneuve stated: "Do us justice, it is your responsibility to settle our case, it is not our fault if we have to assume the responsibilities of the house".

We are not responsible for the split in his party or his difference with his leader the hon. member for Red Deer (Mr. Thompson). I ask the hon. member for Villeneuve to be fair and recognize that his ill will is to blame here.

You have noted that he will never admit that someone else may be right. I have mentioned two points that everyone has been hearing across Canada.

Mr. Caouette: That is not true.

Mr. Choquette: Then, the second reason for not granting official recognition to that group is that it is a matter of internal strife and it lies with them and not with the house to settle it.

Mr. Gregoire: May I ask a very simple question?

Mr. Choquette: I shall finish my remarks, Mr. Speaker, because if the hon. member for Lapointe gets permission to put a question, he will follow with a supplementary question and there will be no end to that.

Mr. Gregoire: Only one.

Mr. Choquette: Then it is all right.

Mr. Gregoire: Mr. Speaker, here is my question. Since I admit that the suggestion of the hon. member for Lotbiniere is reasonable, when he says that we should settle this matter ourselves, would he agree that only Social Credit members should vote on the motion respecting the adoption of the committee's report? Would he agree to that?

Mr. Choquette: The house, to whom a problem has been submitted, is asked to authorize a political party to settle the problem. This is undemocratic and there is danger, as was pointed out by our good friends, that the Caouetteist movement being recognized, we will have within one or two months, a Gregorian group. And we should not forget, Mr. Speaker, that the *dies irae* is a Gregorian hymn.

And for the guidance of our friends who do not understand the argumentation that I submitted to the house, I will explain it to them.

To begin with, as it is an internal division, I am of the opinion that the Crediters of Canada have only one alternative. All they have to do is to convene a national convention and choose, for one year or six months, a leader who will be replaced six months later. But let them not annoy the House of Commons with that. We have been discussing this question for a whole day and it will probably be on the order of the day tomorrow.

Mr. Fisher: Go on.

Mr. Choquette: Mr. Speaker, what can we make of his new connivance between the members of the New Democratic party and the Caouetteists? I cannot understand this new "flirt" between two new political parties who have always held opposite theories in politics.

[*Text*]

Mr. Fisher: You have had but four national conventions since confederation.

Mr. Choquette: I would recall to the hon. member for Port Arthur certain statements he has made which were not too favourable to Quebec. I cannot understand, Mr. Speaker, the great friendship that exists today between him and the hon. member for Villeneuve.

[*Translation*]

Mr. Belanger: Would the hon. member allow me a question?

Mr. Deputy Speaker: Order.

Mr. Choquette: Mr. Speaker, I will allow the question.

[*Text*]

Mr. Deputy Speaker: Order. May I suggest to hon. members that it is very difficult for the Chair and for other hon. members to follow the speech now being made by the hon. member for Lotbiniere (Mr. Choquette) because there has been a cross-fire and a cross-exchange of conversation between hon. members who do not have the floor. Perhaps it would be conducive to good order in the house if we allowed the hon. member who has the floor to complete his remarks.

[*Translation*]

Mr. Belanger: Mr. Speaker, I asked the hon. member whether I could direct a question to him and he has granted his permission.

I want to ask him why the Liberal federation of Quebec decided to separate from the national federation of the Liberal party.

Mr. Choquette: Mr. Chairman, how do you want to proceed if there is no decorum? The Caouettist obstructionists always make a noise and it is impossible to talk.

I shall answer the question of my hon. friend from Charlevoix very simply.

The Liberal federation of Quebec never separated, and in my opinion, the point raised by the hon. member enables us to make a very precise analogy.

Within the Liberal party, there is the national federation and the Quebec Liberal federation. As a Liberal, I belong to the Quebec Liberal federation and, as a member of parliament, to the national organization.

Consequently, the Ralliement des creditistes may well be a provincial group, but all Social Credit members of parliament must accept the leadership of the hon. member for Red Deer. If there are any nationalist feelings within your party, it is up to you to settle the problem.

Mr. Speaker, there is one last point I should like to make. Since the hon. member for Villeneuve and his friends claim to be the mouthpiece of the province of Quebec and the champions of French Canada, I consider it a point of honour for government members from Quebec to speak as strongly as possible against giving official recognition to that group. Indeed, I feel that the prestige of our province and of French Canadians would be badly impaired if the province of Quebec were identified with the hon. member for Villeneuve and his followers.

One just has to remember the wild statements made by the hon. member. I have nothing personal against him. As I said a while ago, I have great admiration for his courage and fearlessness. However, since he makes statements like "In Ottawa, you have to fight against Indians," we would not want him acknowledged as the voice of the province of Quebec and have him say things which will have repercussions throughout Canada.

The member for Villeneuve once confessed his admiration for the nazi and fascist leaders, and he sorely regrets it today. Here again, if the rest of Canada believes that the hon. member is defending the interests of the province of Quebec, his unfortunate statements which are heard from coast to coast are harmful to us.

And that is yet another reason why the government should not recognize his group.

Before resuming my seat, I wish to point out to the house that there is no party which might better protect the interests of Quebec and of the French fact in Canada than the party in power. There could not be any prime minister who would, better than the present Prime Minister, and in a more understanding spirit, create that harmony that we need so badly at the moment. We are undergoing an ideological revolution of sorts, and we must get the better of it, if we want to see the 1967 celebrations take place in an atmosphere of harmony and mutual good will.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I rise on a question of privilege.

I find that since this debate started, some members have been dealing with all kinds of questions that are irrelevant to the matter under discussion.

In my opinion, it would be essential that the Prime Minister himself make a statement on the subject.

We have heard members from both sides of the house, but I feel that for the guidance of all members—

Mr. Deputy Speaker: Order. I must remind the hon. member—

Mr. Gregoire: Mr. Speaker, I am coming to the question of privilege.

Some time ago, the whip of the Liberal party asked me—

Mr. Deputy Speaker: I ask the hon. member to state his question of privilege as soon as possible. I must tell him that up to now, there does not seem to be any question of privilege, and I ask him to come to the point.

Mr. Gregoire: Very well, Mr. Speaker.

The whip of the Liberal party asked us to keep on talking until the Prime Minister got here. Therefore, we would like the Prime Minister to make a statement, and I feel that it is imperative in the circumstances.

Mr. Deputy Speaker: Order. Obviously, there was no question of privilege.

[*Text*]

The hon. member for Yukon.

Mr. Erik Nielsen (Yukon): Mr. Speaker, none of the members of this party who took part in the deliberations of the standing committee on privileges and elections has yet spoken, and since the hon. member for St. Lawrence-St. George (Mr. Turner) has complimented me, in a way, by bringing my remarks into this debate I think perhaps I should say a word or two on this question. I believe I should express the opinion first—and it is my own opinion—that I think this whole reference to the standing committee on privileges and elections was engineered by the government. They abdicated their responsibility when they should have made a decision.

Some hon. Members: Hear, hear.

Mr. Nielsen: It was their responsibility to make the decision to square away the seating arrangements in the house. Had it not been on such short notice I have grave doubts—

Mr. Macaluso: On a point of order. Would the hon. gentleman allow a question.

Some hon. Members: Sit down.

Mr. Macaluso: Then on a point of order, the hon. member for Yukon was in the house when the right hon. Leader of the Opposition voted to refer this matter to the committee.

Mr. Nielsen: I realize that we voted that way in the house and I was one of those who voted for the reference; but as the motion was put on at short notice, as all hon. members know, I think we would be a silly parliament indeed if we did not look back once in a while and realize that we had done something wrong. But I know that people on that side of the house very seldom get that kind of feeling. None the less, I feel that the whole

reference was engineered by the government in an effort to abdicate the responsibility which they clearly had, just as this recommendation by the standing committee on privileges and elections was engineered by the Liberal members who sat on that committee, and the official Social Credit party members who follow the hon. member for Red Deer (Mr. Thompson). Anyone who sat on that committee could not have failed to see the close collaboration between the hon. member who proposed that motion and the Liberal engineers, if I may call them that, on the committee.

Perhaps I have a happy compromise to suggest to the house here, with my tongue in my cheek. There seem to be 11 hon. members following the hon. member for Red Deer and 12 following the hon. member for Villeneuve. I believe one of them is away somewhere; but perhaps the hon. member for Red Deer could borrow for a moment one of the supporters of the hon. member for Villeneuve and then each could draw the $4,000 as provided by the act. Or, in view of the close collaboration which exists between the Liberal members of the house in return for some of the favours that the hon. member for Red Deer has been offering them, they might offer the hon. member for Red Deer one of their Liberal supporters so that he can qualify.

But, Mr. Speaker, in considering the recommendations of the committee in a serious manner it seems to me that all these arguments about fragmentation are irrelevant. The hon. member for St. Lawrence-St. George (Mr. Turner) really surprised me, because it seemed to me that what he was advocating was that we should set a precedent in this house by completely eliminating any possibility of the growth of new political parties in this country by excluding them from the house. It seems to me that this is a very undemocratic position to take.

Mr. Turner: On a point of order; I realize that the hon. member for Yukon (Mr. Nielsen) is very sensitive about that subject.

Mr. Nielsen: I did not hear that point of order.

Mr. Monteith: There was no point of order.

Mr. Nielsen: He referred to a national party or a provincial party, but it seems to me to make no difference. It does not make any difference at all whether the members of a political party come from one province or two provinces, or even the ten provinces and two territories that now exist in this country. It seems to me that a party is a party for all that, and it is surely not the responsibility of this house or of the standing committee on privileges and elections—and this is the stand I took in the committee—to decide when a party is a party. I go along wholeheartedly with the suggestion of the hon. member for Winnipeg North Centre (Mr. Knowles) when he says that these matters must be decided on the basis of sheer numbers, and it does not make any difference whether you have a majority of one or a majority of 100. I understood the hon. member for Winnipeg North Centre to say that it was a question of precedence. If the principle is one of majority, it does not matter whether the majority is one, 50 or 150.

The hon. member for St. Lawrence-St. George made reference to the remarks I made in committee, as reported at page 82 of the proceedings of the committee. He quoted me where I am reported as saying:

> All I can see is internal strife within a political party and as such it is something which this committee should not meddle with, and indeed I doubt whether it has the power to do so.

I still have those convictions. It seems to me that the mess has been created within the Social Credit party itself, and the more we talk about it the more it is pointed up that we in this house should not be concerned with the internal strife of that party. For us to say that the faction which has broken off from the national Social Credit party is or is not a party goes beyond the bounds of our responsibilities.

It seems to me that that is what the committee has recommended, that on the one hand there is a political party and on the other hand that there is not. The wording has been carefully worked out and the recommendation is as follows: First, that the New Democratic party be seated next to the official opposition, and so on, second, that the Social Credit party be seated next to the New Democratic party and, third, that the group under the leadership of the hon. member for Villeneuve be seated to the left of the Social Credit party. Surely this Liberal engineered recommendation made with the assistance of the hon. member for Red Deer, presupposes the decision which they themselves have said they could not make, namely that there is a political party existent in what is left of the Social Credit party. Yet they do not put that same status on the group that follows the hon. member for Villeneuve.

Mr. Leboe: That statement is not true.

Mr. Nielsen: What statement is not true?

Mr. Leboe: That it was engineered by the Social Credit party.

Mr. Nielsen: Well, it seemed to me there were some furtive whispers going on between the members of the committee, and at one stage I noticed one hon. member was very

carefully counting the vote to see whether or not there were sufficient members there to carry the vote on this particular motion.

The reference as I understood it from Your Honour, as reported on page 3007 of *Hansard*, was:

> Have we a new party according to this new definition and, if so, has this party been recognized by the house? To my mind this is a question for the house to decide.

If I had had time to reflect on Your Honour's remarks at that time I would have said, with great respect, that that is not a question for this house to decide at all but a question for the government to decide; and if they had not abdicated their responsibility in this regard they would have made that decision.

We have just listened to three successive Liberal members speaking on this measure. So far only the Leader of the Opposition and myself have spoken on behalf of this party, and I felt obliged to because I was a member of the standing committee and also because of the remarks made by the hon. member for St. Lawrence-St. George. It seems a little strange—perhaps the shoe is a little tight over there—that so many loud protests are coming from that side of the house. As one of my colleagues behind the curtain said a moment ago, it seems they are riding rather a fast horse over there.

An hon. Member: Who is the jockey?

Mr. Nielsen: I do not know who is the jockey; perhaps it is the hon. member for Red Deer. I agree 100 per cent with the remarks of the hon. member for Winnipeg North Centre when he said that the responsibility in the end will rest with the government benches, with the Liberal members of the House of Commons, because they were the majority of the committee. They are the majority of this house. We all know that they will vote in support of this recommendation; but I would be very happy to see some exercise of free opinion on that side of the house and a free vote had on the matter. Then I dare say that the recommendation would not be adopted and the amendment proposed by the hon. member for Winnipeg North Centre would be accepted. But I, like another hon. member who spoke previously, have very little hope of seeing that happen, particularly on that side of the house.

Mr. Francis: Would the hon. member permit a question? Did I understand him to suggest that there would be a free vote on this side of the house?

Mr. Nielsen: It would, indeed, be refreshing to see a free vote on that side of the house, and I would suggest it.

In a final reply to the reference which the hon. member for St. Lawrence-St. George, for whom I have a high regard, made to me tonight, I should like to refer him to the same page, that is, page 82 of the minutes of proceedings of the committee. Here I am reported as answering a question put to me by one of his Liberal colleagues. The minutes read:

> Mr. Brewin: Does Mr. Nielsen intend to put this motion on his own behalf or on behalf of his group?

"group" meaning the Conservative party.

> Mr. Nielsen: I might take refuge in the point of order raised by Mr. Moreau, who objected to members of this committee standing as witnesses. The motion is mine.

Just as the remarks I was making at that time were mine and just as the remarks I am making tonight are mine, I should like to put on record the motion which I did suggest to the committee. I was only able to give notice of the motion because the committee recommended otherwise, and it would have been useless to carry it further. This was the recommendation as is to be found on page 82 of the minutes:

> It being apparent that the reference of the house to this committee is one concerning the internal differences between at least two factions within the Social Credit party these differences should be resolved by the Social Credit party, and when resolved the Speaker informed since he has the responsibility of seating arrangements in the house, and that the matter of the $4,000 leader's indemnity be determined by the proper authority.

It seems to me that this is the recommendation which the committee should have brought down.

This brings me to the question of the $4,000 which is to be paid, as Bill C-91 put it, to each member of the House of Commons who is a leader of a party which has a recognized membership of 12 or more persons in the House of Commons. When this part of the motion was put in the committee, I said, as is reported at page 84 of the minutes:

> I would like to speak on a point of order. I am in doubt as to whether or not we can make proposals to the house on the matter of the $4,000, this being one of the privileges.

I know that the final recommendation made to the house by the committee contains nothing which refers specifically to the $4,000; but a number of articles in the press have indicated that one of the privileges to which the fourth part of the recommendation referred was this self same $4,000 and I believe a good many members of the house share this view. I know I do. This is the whole point of the amendment which the Leader of the Opposition has made to the amendment made by the hon. member for Winnipeg North Centre. We feel this clause

should be deleted because we do not think the committee had the right to refer this question to parliamentary counsel. It is not his responsibility. It is only fair to say, I think, that the first mention I heard of this matter in committee came from the hon. member for St. Lawrence-St. George, not from the hon. member for Winnipeg North Centre. He said this was a question to be determined by the treasury on the advice of the Department of Justice. I believe we will experience some difficulty in interpreting this particular section of Bill C-91 in which the words appear "which has a recognized membership of 12 or more persons". What does "recognized" mean? Does it mean recognition by this house? Does it mean recognition by the electorate? Does it mean recognition by those who support the group leader? Does it mean recognition individually or does it mean recognition collectively? It seems to me these words are fraught with difficulty, and this constitutes another example of the inept drafting which seems to characterize the legislation which this government is producing. I feel the amendment proposed by my right hon. friend would deal with that situation, because if the question of privileges, including the $4,000, were left to interpretation by the proper authorities, then undoubtedly those who were charged with these matters would recognize their responsibilities and discharge them. I do not think that as a committee or as the House of Commons we should be interpreting the legislation we pass.

Having made these observations, I feel the debate should now be brought to a close as quickly as possible in order that we might get on with the business we were sent here to do, as the leader of the New Democratic party has so often, in his holier-than-thou attitude, advised us to do. It seems to me the members of that particular group took a great deal of the time of the house in speaking on this subject, and without intending any offence to the hon. member for Burnaby-Coquitlam (Mr. Douglas), may I say it occurs to me that his vision is often obscured by his halo slipping over his eyes.

Mr. Pigeon: On a point of order; I think members on this side, as well as the house generally, would appreciate very much hearing the point of view of the Prime Minister on this important question.

Mr. Pearson: Hardly a point of order.

Mr. H. A. Olson (Medicine Hat): The question before the house at this moment is an amendment to an amendment which calls for the complete deletion of clause 4 of the report from the standing committee on privileges and elections. Clause 4 recommends that the question of the privileges to be enjoyed by the group under the leadership of the hon. member for Villeneuve (Mr. Caouette) be referred to parliamentary counsel of the House of Commons for study and report to the Speaker. If I understand the terms of reference correctly, when this house referred the whole matter to the committee it was precisely because Your Honour needed some guidance in dealing with the demand for privileges which was made by the hon. member for Villeneuve following a convention in Granby. Therefore, if this section is deleted from the recommendations which have been submitted by the committee, the terms of reference will not have been complied with. In other words, the question of privileges is not answered at all in any of the other three recommendations which are made. They deal with some physical changes in the house, it is true—the seating of the various parties—but they say nothing about the privileges which have been demanded.

This debate has ranged fairly wide so far. Attempts have been made to bring up precedents for the guidance, first of the committee, and now of the house. I believe that if we have listened carefully to all the precedents which have been cited we can only reach one conclusion, namely that there is no precedent for the situation we are now facing. It is therefore up to the house to create a precedent and reach a decision to deal with a wholly novel situation. There have been attempts to draw parallels between the present situation and something else which happened, but I do not think there is any direct relationship between the problem we are now facing and anything which has happened in the past.

Some of the arrangements that have been made in the house with respect to seating and also recognition have been referred to by hon. members, particularly the Leader of the Opposition (Mr. Diefenbaker), and in every case the arrangements both for seating and for recognition have been based first of all on policies, patterns and labels that were presented to the electorate in the immediately preceding election. Surely, Mr. Speaker, we as members of the House of Commons have a responsibility to organize ourselves and conduct the business of the house in line with something that has been presented to the electors, whether it has been put down in writing or not. As far as I am concerned that is paramount in the situation. Several members have mentioned that even in the committee situations were referred to and the same persons who recited them said it was possible to draw more than one conclusion from them.

I do not intend to go over a lot of the ground that other hon. members have covered. I do think, though, that if members of the house are going to be faced with a vote to decide whether or not there is another party in the house and whether all the privileges and rights which are extended to a party are to be granted, we should be cognizant of some of the facts. The hon. member for Villeneuve delved rather deeply into this matter. He is welcome to his opinion, but I should like to place on the record another opinion with regard to some of the things that took place even before the last two elections, so that members will be completely familiar with the organization of the national Social Credit party. The constitution of the Social Credit party provides as follows with regard to membership:

> Every provincial Social Credit organization or league that applies for affiliation and is accepted by the association shall, upon payment of the prescribed fees, be granted membership in the association, providing there will be only one recognized in any province.

It is quite true that the Ralliement des creditistes was a provincial organization and was accepted into the national organization, and it was the only one from the province of Quebec. In article 3 the constitution provides:

> A national convention shall be held every four years, or more often as the national council shall decide.

I should like to draw to the attention of the house that the national council of the Social Credit party of Canada had a meeting in Ottawa in July of this year. I should also like to draw the attention of hon. members to the fact that all of the members of the Ralliement des creditistes who were present at the 1961 convention subscribed to these articles of the constitution.

The national council held a meeting in July, and I happen to know that representations were made to the national council by certain members of the Ralliement des creditistes demanding a national convention immediately. The national council in their wisdom decided for many reasons that they would not call a national convention at once. The fact is, of course, that the council is made up of all the Social Credit organizations across Canada and like all democratic institutions a majority vote rules the decisions made by that council.

I should also like to refer to various clauses in the constitution dealing with how a national convention shall be set up. The first provision is that there shall be five representatives from each affiliated Social Credit organization or league. This would give each province having a Social Credit organization five voting delegates at a convention, and this is what the Ralliement des creditistes would have if they attended. Second, there shall be five representatives in good standing from each federal constituency in Canada. I should like to point out that there was an opportunity for each one of the 75 constituencies in Quebec to have five delegates from the Ralliement des creditistes at the convention. They had the opportunity to be there in 1961.

An hon. Member: Not in 1961.

Mr. Olson: I do not know what the make-up of the delegates to that convention was or whether there was a full slate from Quebec or Ontario. I know there was not from Alberta, simply because of the high cost of travel in order for them to come to Ottawa. But there might have been a full slate from Quebec. As a matter of fact, the hon. member for Lapointe (Mr. Gregoire) tells me there was a full slate of delegates from all of the constituencies in Quebec. The convention proceeded with its business and made these provisions with respect to officers, as found in the constitution.

> The officers of the association shall be: (a) A national leader who shall be responsible for the formation and interpretation of policy—

And so on.

> (b) A deputy leader—

This is pretty good.

> —who shall assist the national leader.

The point I want to make is that all of these provisions in the constitution were accepted by a national Social Credit party convention, and there was full opportunity for the Ralliement des creditistes to have full representation there. As the hon. member for Lapointe has said, they were there.

Mr. Fisher: It is none of our business.

Mr. Olson: It may not be any of our business, but I think it is the business of parliament to understand what the interpretation of a party shall be. This is the question before us.

Mr. Fisher: Let us interpret the Liberal party.

Mr. Olson: All of this was done in accordance with democratic procedures, and I believe that a similar though not identical arrangement is used by all of the national political parties. I do not know whether there is a national Liberal party or whether it is a federation of provincial parties, although I have been told it is a federation of 10 provincial Liberal parties. Maybe that is not true; but that is the way the Social Credit organization is set up.

Members of the New Democratic party are making noises on my left but I believe they are also organized on the same basis. I know, for example, that the party that is supposed to belong to them in Saskatchewan does not even have the same name. They call themselves C.C.F.-N.D.P. I was out there over the week end and I heard that for purposes of the next provincial election they are going to drop the N.D.P. part of their name. So, Mr. Speaker, whether or not the name of the Social Credit organization in Quebec was the Social Credit league of Quebec, like the Social Credit league of Ontario or Manitoba or New Brunswick, this practice is not confined to the Social Credit party. Other parties have different names.

Another point was mentioned during the debate. In *Hansard* on Wednesdays the names of the members are given, and their party affiliation. Somebody has mentioned that there is a member in the cabinet who I believe calls himself Liberal-Labour. So they too have different names. But the point is that if he is Liberal-Labour I think he presented himself to the electorate as such. There is no argument about the fact that the Ralliement des creditistes had full opportunity to participate in the national convention. They subscribed to the constitution. They took part in the balloting for the leader.

It is rather interesting to note that the hon. member for Villeneuve, who now claims to be leader of the Social Credit party, also ran for the national leadership of the Social Credit party. This balloting was conducted after the constitution had been accepted. It is rather interesting to note also that there were three candidates for the position of national leader of the Social Credit party. The constitution requires that before any one candidate can be named leader, he must receive 50 per cent plus 1 of the ballots. When the ballots were counted, there was sufficient support for the hon. member for Red Deer to elect him on the first ballot.

An hon. Member: Did they see the ballots?

Mr. Olson: An hon. member has said they never saw the ballots. I want him to know that the hon. member for Villeneuve appointed scrutineers who watched the counting of the ballots and who concurred in the returns.

We come to the point of discussing what is a national party, who should be recognized, who should be granted privileges, and so on. I should like the members of this house to know that there was absolutely no situation here that was not subscribed to by the Ralliement. Since then they have had a convention. They have decided to dissociate themselves from the national party. Now that they have dissociated themselves from the national party, when they subscribed to its rules, policy and so on, the question is raised now, do they become a national party? It might be of interest also to members when they come to vote on this matter to know that there are seven members of the Ralliement des Creditistes who do not subscribe to this separation. The hon. member for Villeneuve referred to some statistics in connection with the last election. I am not sure what his purpose was. Perhaps it has something to do with the total popular vote.

I should like to say, in connection with these statistics, that he was apparently trying to take unto himself all of the popular vote that was accorded to all of the men who ran as Social Credit candidates in Quebec. I should like to say that he will have to separate the votes for at least seven of those constituencies from his calculation. There have been points raised from time to time during the debate that the adoption of the committee's report will be a violation of the freedom of the members of this house. I completely disagree with that. The question before us, and what is being demanded now by the hon. member for Villeneuve, is not that the rights and privileges of members be maintained, but that he be given some rights and privileges in addition to those normally accorded to members of this house. Certainly, no one is trying to take away any of the rights or privileges of an ordinary member of this house.

In so far as clause 4 of the report is concerned, it does not completely satisfy the terms of reference handed to the committee. It seems to me that we should very soon in this parliament attempt to define a party or define a group that will be recognized in the house. The late prime minister Mackenzie King back in 1944 said that there was only the government and the opposition, and that any further recognition by the government and the Speaker is a matter of courtesy. I suggest to you, Mr. Speaker, that this courtesy should be granted on the basis of what was presented to the electors, and there should be nothing beyond that.

In closing, Mr. Speaker, I should like to refer to the question raised by some members as to whether or not the Ralliement des creditistes is a national party or a provincial party. I did not hear the hon. members say whether or not this federal house should recognize a provincial party or whether recognition should be confined to national parties. Certainly, up to the time of the convention in Granby in August all the evidence points conclusively to the fact that the Ralliement des creditistes was definitely a provincial party. They were affiliated with the

national Social Credit party as the Quebec wing of the national Social Credit party.

Mr. Pigeon: Mr. Speaker, there is one question I should like to ask the Prime Minister.

Mr. Speaker: Order. That question has been asked once or twice before and I think it is out of order.

Mr. Pigeon: I rise on a point of order, Mr. Speaker. I think it is the privilege of any hon. member to ask the Prime Minister a question if he consents.

Mr. Habel: Yap, yap. We have no orders to take from you.

Mr. Pigeon: I ask the Prime Minister if he will consent to a question.

Mr. Speaker: Order. I do not think it is proper to do something indirectly which is not allowed directly. The hon. member for Lapointe.

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

Mr. Habel: We have no orders to take from you.

Mr. Pigeon: May I ask this question of the Prime Minister, and if he consents, I think it is my right.

Mr. Pickersgill: If I may speak to the point of order, I may say the hon. gentleman has spoken several times in this debate already and I do not think he should be recognized again.

Mr. Pigeon: Closure. I rise on a point of order. I never said a word in this debate and the house leader is absolutely wrong. This is not the first time he has been wrong.

Mr. Habel: What a weight that will carry.

Mr. MacInnis: Mr. Speaker, I return to a problem that has faced us previously. I do not know of anything in the rules which gives any one member of this house privileges that are not accorded to other members. I call Your Honour's attention to the fact that the Secretary of State (Mr. Pickersgill) rose in his place and addressed the Chair in a way to indicate the manner in which the Chair should conduct the affairs of this house. It was nothing more or less than a direction from the Secretary of State as to the conduct of this house.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, several things have been said in this discussion. I shall not delay things by answering the hon. member for Labelle (Mr. Girouard), who incidentally mentioned the hon. member for Lapointe. As a matter of fact, I think it would be hardly worth the trouble because he will be judged by his own words.

In fact, when he tried to avail himself of this discussion to attack the leader of the official opposition (Mr. Diefenbaker), I saw that the latter had adopted the best possible attitude, that is, an attitude of scorn for words without any significance. I think I shall follow in his footsteps, because I am used to hearing the hon. member for Labelle who, as everyone knows, has tried to behave like the frog which wanted to become as big as an ox.

Mr. Speaker, whatever is said and done, we have, today, seen political parties setting themselves up as the judges of another party. This had never happened before in the Canadian House of Commons. The Liberals have taken advantage of existing circumstances to have a picnic at the expense of one political party, and even of two.

Today, we witnessed quite an extraordinary show, given by the hon. member for St. Lawrence-St. George (Mr. Turner) and the hon. member for Labelle (Mr. Girouard), who acted as witnesses, inquirers and judges with regard to the problems of another political party, which was none of their business. I would have liked, Mr. Speaker, to hear the Prime Minister (Mr. Pearson) on the subject.

The hon. member for Winnipeg North Centre (Mr. Knowles) and the leader of the official opposition (Mr. Diefenbaker), made some speeches which, I think were objective, and they analysed the situation.

On the other hand, we had some replies by backbenchers on the government side, but no member of the cabinet dared do so—and that is the right term for it, I think—not even the Secretary of State (Mr. Pickersgill), who usually is quick to rise when problems like these are discussed, nor the Prime Minister, nor any other minister. That is the more significant as they realize that they are today acting as they have no right to act when they allow some parties to be the judges of the members of another party.

I therefore would like to pursue the argument of the hon. member for St. Lawrence-St. George, who dared to tell us that it was his business to judge our own business. He might introduce a motion to outlaw the Conservative party in this house, and then, having a majority with the benevolent support of some hon. members on this side of the house, the Liberal party might control this country's destiny, without the fear of an election for the next four years.

In my opinion, this constitutes word for word the argument of the member for St. Lawrence-St. George.

I heard him making speeches, but I never heard him express such fallacies as he did tonight. The member for Lotbiniere (Mr. Choquette) also spoke tonight, even if he had absolutely nothing to say, and in fact he said nothing. The best way to answer him would be to do as did a speaker, who, after hearing a speech, was satisfied to open his mouth, make gestures for two minutes without uttering a single sentence, after which he said he had answered the speech point by point. I would be tempted to do the same thing to answer the member for Lotbiniere.

Mr. Speaker, the member for Villeneuve quoted this afternoon a letter from the member for Lake St. John (Mr. Lessard), who is a member of the Thompson group, in which the member for Lake St. John was saying on September 12, 1963: "I am a candidate belonging to the Ralliement des creditistes." I have here another letter from the same member, dated September 12, 1963, admitting he had been chosen as candidate for the Ralliement des creditistes. I have also another letter from the member, dated September 12, 1963, and I apologize to the leader of the official opposition, but this illustrates very well the situation at the present time. The member for Lake St. John then declared: Unless the Conservatives change their leader and unless they activate their political credit and add a greater dynamism, the Canadian electors will have no other alternative than to elect the Liberal party. Let us assume that it would be about the same thing that we, ourselves, could have felt within our movement.

How can you be a judge in such cases? And, Mr. Speaker, they invoke an argument which will not hold water. They say that to be recognized, you should go through an election. Let us suppose that the leader of the Liberal party turns insane tomorrow morning, does that mean that the Liberal party, deprived of its leader, would not have been recognized before passing the test of a general election? This argument is as stupid as yours.

Some hon. Members: Oh, oh.

Some hon. Members: Oh, no.

Mr. Gregoire: The argument is the same—

Some hon. Members: Oh, no.

Mr. Gregoire: —a fallacy. It is not necessary to have submitted to a general election. Look at your own case, each and everyone of you, when you go through an election, when an elector goes to a poll and takes a ballot, what appears on it? The name, and that is all. There is no indication of the political party. So, the situation here in this house is that members are elected for themselves, not for a political party. And all parties realize that.

When Mr. Hazen Argue decided to cross over to the other side, did you tell him: No, sir, we cannot accept you?

And then the hon. member for Quebec-Montmorency (Mr. Marcoux) decided to go over to the other side. Why did he have the right to do that? Because it was Mr. Guy Marcoux who had been elected member for Quebec-Montmorency. And it was not because he belonged to any party, since no party was even mentioned on the ballots.

And there is something else to be considered. Since when have we seen the larger group of a political party split away from the smaller group? Usually, it is the larger group that represents the party and the one numerically smaller is the one that separates.

Here is what I said in the committee on privileges and elections:

> During a caucus, the members of the Social Credit party have decided, due to the critical situation, that the election of a new leader was imperative.
>
> We have decided, by a majority vote, to choose a new leader. We have a new leader, a new whip. We wish to make changes in the house, to replace Mr. Thompson by Mr. Caouette and have our whip occupy the regular seat of the whip.
>
> We shall also submit to the Speaker of the house a redistribution of the offices and desks in the house including the new arrangement.

Thirteen voted for the motion; the majority made its choice.

Mr. Gerard Girouard (Labelle): Mr. Speaker, I rise on a question of privilege. The hon. member for Lapointe is reading the minutes of the committee which said:

> During a caucus—

But the text actually said:

> During a regular meeting of the caucus—

Mr. Gregoire: Mr. Speaker, all the problems have now been settled thanks to that most intelligent interruption by the hon. member for Labelle.

Here is a party where 13 members decide to change their leader, that is a majority of the 23 members. And since 10 of them were not satisfied with the decision of the majority, they withdrew. And now the Liberal party would come here and say that we do not have the right to act that way.

According to what right could the Liberal party tell us that the majority in our party cannot decide for itself? Under what rule? I say this and I repeat it.

I note that the Prime Minister is much more serious than these young backbenchers. In fact, he would never have stated what the hon. member for St. Lawrence-St. George said tonight. He would never dare make such statements. In fact, he quickly left the house, which means that he does not approve of such statements.

Mr. Speaker, let us not forget one thing. We live in a democracy. And to try to tell us what should happen within our own party would amount to dictatorship.

I see that the Secretary of State is nodding in disagreement. But if the Secretary of State, during a caucus, decided on a certain thing, with the support of certain Liberal members, could the members of the opposition, since we are more numerous, tell him: "We do not want you to act that way." Then, the Secretary of State could answer: "That happened during a caucus, mind your own business."

Well, we tell you: "What we want to do within our party does not concern you."

An hon. Member: Settle that at a national convention.

Mr. Gregoire: And even if it does not concern the Liberal party, one thing remains—

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I rise on a point of order. I wish to call your attention to section 28 which reads as follows:

> Every member desiring to speak is to rise in his place—

Well, I wish to point out that the hon. member for Lapointe is now standing at the Sergeant-at-Arms' desk or close to it and he is not in his place. Furthermore, he is not addressing himself to you, but to everyone.

Mr. Real Caouette (Villeneuve): Mr. Speaker, as far as the point of order is concerned, it is true that section 28 reads:

> Every member desiring to speak is to rise in his place—

That is exactly what the hon. member for Lapointe has done. But the rule does not stipulate that the member must remain glued in his place as the hon. member for Mercier usually is.

Mr. Gregoire: Mr. Speaker, I believe that at this time, it is obvious that I have risen from my seat. Everybody must recognize that as was pointed out by the member for Villeneuve, the member for Mercier also has his place.

Mr. Deputy Speaker: Order. I do not want to unduly interrupt the hon. member but in connection with the point of order which was raised by the hon. member for Mercier, it is true that standing order 28 states that an hon. member should rise in his place but it does not stipulate that he must remain in his place.

On the other hand, standing order No. 12 stipulates that the Speaker shall maintain order and decorum and in his estimation, it is contrary to decorum in this house that a member should stand too far from his seat.

Mr. Gregoire: Thank you, Mr. Speaker.

[*Text*]

Mr. Olson: Mr. Speaker, I wonder if I might ask the hon. member for Lapointe a question, for information. Would he give the house the date and the hour of the caucus to which he referred when he said that by a majority vote they decided to change the leader, and who was invited to this caucus?

[*Translation*]

Mr. Gregoire: Mr. Speaker, the caucus was held in Granby, and everyone was invited. Nothing can be done for those who could not come.

Mr. Speaker, what amazes me most is to find that in the end there is only one group of dissidents. The Conservatives and the members of the New Democratic party are not opposed to our forming a recognized group, a recognized political party in this house but coming after another group known as the Thompsonists. Why? I do not know. And I am wondering why 11 members would object when we say that the motion in the committee on privileges and elections was introduced by the hon. member for Labelle and seconded by the member for Cariboo? Why do 11 members object to the fact that others be recognized in the house?

And I will go one step further. Why, in spite of the logic and common sense of the argument put forward by the hon. member for Winnipeg North Centre (Mr. Knowles), are pretexts heard from the other side of the house?

We are wondering whether there is not an agreement or collusion. And what does that mean? I will tell you. This means that two political parties in this house have agreed to try to deprive another party of its rights and then this is simply co-operation between them. One will do the favour of refusing to recognize a political party and what will the other give in return? I am therefore asking which group is representing its constituents, the one who has sacrificed certain principles to strike a bargain or those—

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I rise on a question of privilege. This afternoon, I was asked to comply with the standing orders when I was making unconfirmed but sensible remarks. Now I would like the member for Lapointe to abide

by the rules because he is imagining things and letting his emotional imagination get the best of him.

Therefore, I suggest that he be called to order and that he talk about things which he knows. If he can only talk about things which he does not know, then he should keep quiet.

Mr. Gregoire: Mr. Speaker, very little imagination is required to understand the situation, and I am sure that there are quite a few on all sides of the house who understand it.

I only made an assumption about what could happen. So much the better if that does not exist, but we can ask ourselves why the Liberal party acts as it does at present.

In the case of one political party, we are going to decide by the number and in the case of the others, by seniority. Then, the Liberal party is going to decide which is the older, the group led by the member for Red Deer or that of the member for Villeneuve.

Which is the older? From 1958 to 1962, there was not one Social Credit member in the house. We were all elected in 1962. Therefore, seniority goes back to 1962 and the number should decide, if not the member for Villeneuve is the oldest of the 23 Social Crediters, since he was elected in 1946; therefore, he has seniority.

Mr. Speaker, on top of all that, they are trying to make us believe that we would not have been elected under the ticket of the Ralliement des creditistes. Indeed, we have been elected as members of that group. I gave evidence to that effect before the privileges and elections committee. The point is that the old political parties have always been elected because of their campaign funds. Who contributed? Mr. So-and-so, in trust. That is how they got elected.

As for us, how did our bills get paid, Mr. Speaker? Since the treasurer of our riding is in the gallery at present, I have no hesitation to say that they were paid by treasurer so-and-so or chairman so-and-so on behalf of the Ralliement des creditistes. That fact can be checked out. The national party organization never paid a single penny in our ridings or in our province. Never. We are the ones who paid for our election.

When I hear Social Crediters who were elected with the assistance of the Ralliement des creditistes claim that they are the ones who helped us, it is my duty to deny it. Mr. Speaker, I am sure they will think otherwise at the next election when it will no longer be possible for them to vote along the lines indicated by the hon. member for Winnipeg North Centre and the Leader of the Opposition.

Mr. Chapdelaine: Mr. Speaker, would the hon. member for Lapointe allow me a question?

Mr. Gregoire: Certainly.

Mr. Chapdelaine: When he says that Social Crediters were elected because they were helped by the Ralliement des creditistes, is he inferring that if they were elected it is because they were members of the Ralliement des creditistes?

Mr. Gregoire: Mr. Speaker, I would at least say that that was often the case. I would not say in all cases, because some of them owe their defeat to the fact that they think along the same lines as the hon. member for Sherbrooke. Some were defeated, because they could be defeated although they were chosen at a convention of the Ralliement des creditistes. The T.V. shows he was on, at Sherbrooke and elsewhere, including the last one, were paid by the Ralliement des creditistes.

An hon. Member: The Ralliement des creditistes du Quebec.

Mr. Gregoire: Yes, indeed, the Ralliement des creditistes du Quebec.

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I raise a point of order with regard to standing order 12. The hon. member for Lapointe is still going around the house, with a prompter practically at his side—his leader, the hon. member for Villeneuve—and answering questions right and left without addressing himself to the Speaker. I would ask that he observe the proprieties a little more.

An hon. Member: He is addressing himself to the Speaker.

Mr. Gregoire: Mr. Speaker, I—

Mr. Boulanger: Mr. Speaker, is my point of order well taken?

Mr. Caouette: Sit down.

Mr. Deputy Speaker: I do not think that there is any point of order.

Mr. Gregoire: Mr. Speaker, after all that has happened today, after seeing democracy flouted so many times, we must now submit to this. Democracy has its price and we have to put up with the sounding-boxes that we hear sometimes in the house. I think that the hon. member for Mercier is a typical example of a loud drum but that he does not have a sound judgment.

An hon. Member: He gives a hollow sound.

Mr. Boulanger: You could have found something better than that.

Mr. Auguste Choquette (Lotbiniere): I raise a point of order. There is a limit. We should

observe some proprieties in the house. The words used by the hon. member for Villeneuve, I mean the hon. member for Lapointe —anyway, it is the same thing—

An hon. Member: Of anyone.

Mr. Choquette: —are absolutely unparliamentary. A few minutes ago, the hon. member for Lapointe said: "If the leader of the Liberal party becomes insane—" and now he calls "This is a stupid argument" and now he calls my colleague a drum. Let us have some decorum.

Now, Mr. Speaker, I respectfully submit that this series of coarse terms is unworthy and completely against the standing orders of the house in addition to being inconsistent with the atmosphere which should prevail here.

Mr. Gregoire: Mr. Speaker, I hope that the member for Lotbiniere takes his own words into consideration, when he speaks of the decorum which should prevail here.

I think that if there were not so many interruptions from the members opposite, there would be more decorum in the house.

Mr. Speaker, in concluding, I will only add one thing. We are a group of 13 members from the province of Quebec. We are not imploring without cause. We believe that we are entitled to recognition.

I think, Mr. Speaker, that in the past—the Minister of Finance who is here knows it—I have shown fair play when necessary. I played above-board with the Liberal party as well as the other parties. I always tried to be frank with all the other members of this house and played fair when necessary.

On a particular occasion, the Minister of Finance remembers, I rose on a question of privilege. At least, at that time, I deemed advisable to use fair play with him, which I did.

I think that the Liberal members have now to decide on something more serious and important than what the committee has presented. They have to decide on a problem much more serious than that. They must decide on a principle, that is whether it is true that other members can decide for another party. I submit that point to the conscience of all hon. members of the house.

And the responsibility will fall on the shoulders of the one who will rise first on the side of the Liberal party to vote—the Prime Minister of Canada who holds a rather high position. It is he who will vote first. With him rests the responsibility to support what is being done today, namely deny its rights and privileges to a group. The responsibility will be theirs. The way they all vote will be recorded in *Hansard*. The people will be able to judge them. Let them think carefully, in order to realize whether what they are plotting today is really honest. Let them wonder whether what they are plotting today is just.

Mr. Speaker, it has been suggested a while ago that we are trying to monopolize the defence of the rights of French Canadians. No, such is not the case. If the hon. member for Dollard (Mr. Rouleau) were here tonight, and the hon. member for St. Jean-Iberville-Napierville (Mr. Dupuis) knows it, he could say that we do not endeavour to monopolize that right. We even had a meeting last year with them—and they know how it had been prepared—a meeting which was attended by all hon. members from the province of Quebec, to try and claim some rights of the French Canadians.

We did not try to monopolize this right at that time. No, we wanted to share with all our colleagues of the House of Commons the right to uphold the rights of French Canadians in the house and, in Ottawa, when the opportunity presented itself. The member for St. Jean-Iberville-Napierville knows that very well.

We are not trying to make it a fight for nationalism or for separatism. We do not want to transform this problem into a fight to separate French Canadians from English Canadians. I myself did not want that.

When the time came for the reappointment of Mr. Gordon as president of the Canadian National Railways, I never tried to make political capital by stirring up one race against the other, I never tried to do that.

Only when questions are asked as to why 13 French Canadian members cannot be recognized in the house when, on the other hand, seven members of the New Democratic party were recognized here in 1958, we say to ourselves: why not us?

Ask yourselves those questions. I would not want to stir up a conflict, but better be careful. This time, we shall not be the ones to start the ball rolling, it will probably be the party which will decide not to recognize 13 French Canadian members in the House of Commons. We shall not be the ones to stir up that conflict, no, but it may be those who will vote to deny us our rights and privileges in this house.

Mr. Speaker, a striking example occurred the other day when an attempt was made to deny the hon. member for Villeneuve the right to speak as leader of a group of 13 on the nuclear arms question. This will happen again. Then, there are serious problems to face in all that.

I ask the ministers here to think it over carefully before coming to a decision which could have rather serious consequences for democracy and for the rights of parliament. I know that the French Canadians are touchy where the rights of parliament are concerned and they cannot accept that the rights and privileges of a whole group should go unrecognized in the House of Commons.

Mr. Georges Valade (St. Mary): Mr. Speaker, I do not intend to waste the time of the house on a discussion of the problem, as I feel that we have deviated rather drastically from the amendment and amendment to the amendment to the motion moved by the chairman of the committee on privileges and elections.

I must state, however, that I was under the impression we were attending a Social Credit convention or a public debate between Liberals and Social Crediters.

I am still thinking about the suggestion the leader of the house (Mr. Pickersgill) made this afternoon, in order to stretch the hours of sitting of this house. It seems to me that we should have acted more consistently, and spontaneously curtailed our verbosity, our partisanship. We should have restricted ourselves to a discussion on the merits of the amendment and of the amendment to the amendment submitted to the house.

I heard the remarks of the member for Lapointe and I regret that he did not use the word divorce once. He spoke of the separation of the Caouette group from the Thompson group. I should have liked him to use the word divorce because then the Ralliement would have relinquished all ties and responsibility with the Thompson group.

Mr. Speaker, as a lawyer, you know that even after a separation, there are still ties and responsibilities. Such is not the case after a divorce.

Mr. Speaker, I just wished to say a few words to express my regret, as a French Canadian representative of the province of Quebec, for having attended a discussion that did not deal at all with the value, the logic or the merit of the resolution or of the amendment to it, but that has particularly succeeded in discrediting the representatives of the province of Quebec with our approach of the matter in a spirit of partisanship which is far from being academic.

The decision which the house must make will decide whether the Caouette group has precedence or not over the Thompson group.

I am sorry to have to remind the house, as a representative of the province of Quebec, of the irresponsibility with which the Liberal members and certain representatives of the Social Credit party have joined in the discussion, thereby belittling in the eyes of the citizens of other provinces the sense of responsibility of the Quebec electorate.

I hope, Mr. Speaker, that the speeches will be over soon.

Some hon. Members: Hear, hear.

Mr. Valade: I hear the Liberals applauding and that after having said a lot of nonsense and stupidities. The remarks of certain members of the Social Credit were surely not better than those of some Liberal members.

Since the beginning, the discussions seemed to hinge on two decisions. First of all, we have to decide whether there is really division between the two groups. Then, it must be established whether parliament has the power to decide in favour of a group instead of another, I ask the Minister of Justice (Mr. Chevrier) whether he could not take a few minutes to state his opinion and settle the question.

I particularly ask the house to limit interruptions and to put the question before the house; it is the most democratic way to solve the problem.

Therefore, I ask the house to vote and I hope that the group, which perhaps may not be satisfied with the decision, will consider that parliament represents democratic authority in this country, and I hope that this minority will abide by the parliament's decision, this democratic institution that we wish to preserve for a long time.

[*Text*]

Some hon. Members: Question.

The house divided on the amendment to the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Aiken	Grafftey
Alkenbrack	Gregoire
Baldwin	Gundlock
Barnett	Hales
Beaule	Herridge
Belanger	Horner (Acadia)
Boutin	Horner (Jasper-Edson)
Brewin	Horner (The Battlefords)
Cantelon	Howe (Wellington-Huron)
Caouette	Jorgenson
Casselman, Mrs.	Kennedy
Churchill	Kindt
Coates	Knowles
Cooper	Korchinski
Crouse	Lamb
Danforth	Lambert
Diefenbaker	Langlois
Dinsdale	Laprise
Dionne	Latulippe
Doucett	Loney
Douglas	MacInnis
Fane	MacLean (Queens)
Fisher	MacRae
Forbes	McBain
Gauthier	

Madill
Martin (Timmins)
Martineau
Monteith
Moore
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Pascoe
Perron
Peters
Pigeon
Plourde
Prittie
Rapp
Rheaume
Ricard
Rondeau
Rynard
Scott
Simpson
Skoreyko
Slogan
Smallwood
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Webster
Willoughby
Winch
Winkler—89.

NAYS

Messrs:

Addison
Armstrong
Badanai
Basford
Batten
Bechard
Beer
Benidickson
Benson
Berger
Blouin
Boulanger
Brown
Byrne
Cameron (High Park)
Cantin
Caron
Carter
Cashin
Chapdelaine
Chevrier
Choquette
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Deachman
Denis
Deschatelets
Dube
Dupuis
Emard
Eudes
Favreau
Forest
Forgie
Francis
Garland
Gelber
Gendron
Girouard
Granger
Gray
Greene
Groos
Guay
Habel
Hahn
Haidasz
Harley
Hays
Hellyer
Honey
Jewett, Miss
Kelly
Klein
Lachance
Laing
LaMarsh, Miss
Lamontagne
Lamoureux
Laniel
Leboe
Leduc
Loiselle
Macaluso
Macdonald
MacEachen
MacNaught
McLean (Charlotte)
McMillan
McNulty
McWilliam
Marcoux
Matheson
Matte
Mitchell
Moreau
Mullally
Munro
Nicholson
O'Keefe
Olson
Otto
Ouellet
Patterson
Pearson
Pepin
Pickersgill
Pilon
Richard
Rideout
Rinfret
Robichaud
Rock
Rouleau
Ryan
Tardif
Temple
Thompson
Tremblay
Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—108.

Mr. Speaker: I declare the amendment to the amendment lost.

[*Translation*]

Mr. Paul: Mr. Speaker, I was paired. Had I voted, I would have voted for the amendment to the amendment.

Mr. Pennell: Mr. Speaker, I was paired with the hon. member for Middlesex East. Had I voted I would have voted against the sub-amendment.

Mr. Stewart: Mr. Speaker, I was paired. Had I voted I would have voted against the sub-amendment.

Mr. Gregoire: Mr. Speaker, may I call it half past ten? In fact, it is 10.45.

[*Text*]

Mr. Speaker: The question is on the amendment to the main motion. Is the house ready for the question?

[*Translation*]

Mr. Gregoire: Mr. Speaker, several members of our group would like to speak on the amendment. May I remind you that it is past the hour of ten?

[*Text*]

Mr. Fisher: Why?

Mr. Speaker: I am sorry, I could not hear the hon. member.

[*Translation*]

Mr. Gregoire: Mr. Speaker, several members of our party would like to speak on the amendment. I should like to point out that it is 10.45.

[*Text*]

Mr. Speaker: It takes unanimous consent to continue this vote. Does the house give unanimous consent?

Some hon. Members: No.

BUSINESS OF THE HOUSE

Mr. Churchill: Mr. Speaker, I want to ask the house leader, will the business for tomorrow be the same as today?

Mr. Pickersgill: Tomorrow, sir, I assume that we will proceed with the business that is uncompleted now, on motions, although of course that is not the government's business but rather the business of the house. Once that is completed and we have reached the orders of the day it is my intention to propose the motion to set up the committee on procedure, on which the Prime Minister intends to speak briefly.

Mr. Monteith: Are you going to have today's orders of the day tomorrow?

Mr. Pickersgill: I do not think that would be a very wise thing to attempt.

Then as soon as that debate is concluded, if there is any additional time during the day we will go on with the income tax measure, and in conformity with the announcement I made earlier today, tomorrow evening we will take the estimates of the Department of Public Works, commencing at seven o'clock.

Mr. Speaker: It being after 10.30 p.m. this house stands adjourned until eleven o'clock tomorrow morning.

It being ten minutes before eleven o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Friday, October 18, 1963

The house met at 11 a.m.

PRIVILEGE

MR. HOWARD—BRIEFS TO ROYAL COMMISSION ON BICULTURALISM

Mr. Frank Howard (Skeena): Mr. Speaker, I rise on a question of privilege. My question of privilege involves the royal commission on bilingualism and biculturalism. May I preface my question by quoting from the order in council establishing the commission as follows:

> —to inquire into and report upon the existing state of bilingualism and biculturalism in Canada and to recommend what steps should be taken to develop the Canadian confederation on the basis of an equal partnership between the two founding races—

This is the important part.

> —taking into account the contribution made by the other ethnic groups to the cultural enrichment of Canada—

And so on. I have just received this morning a document from the royal commission. It is a memorandum regarding the procedure to be followed in hearings before the commission. On page 2, under the heading of "nature of briefs", part (e) reads as follows:

> Briefs must be written in either French or English, or in the two languages, according to the preference of the persons who submit them.

It is my contention that it is not possible to take into account the contribution made by the other ethnic groups to the cultural enrichment of Canada by so restricting the language in which briefs must be written for presentation to the commission. Accordingly, founded on my question of privilege I move:

> That this house declares, notwithstanding anything to the contrary, that briefs to the royal commission on bilingualism and biculturalism may be written and presented in any language.

My motion is seconded by the hon. member for Danforth (Mr. Scott).

Mr. Speaker: May I ask if there is any hon. member who would like to speak to this question of privilege before I try to give a decision. If not, then I may say that questions of privilege are extremely important matters. The Speaker has to be convinced that there is a prima facie case. This is one of the elements. In the present circumstances I do not believe there is a prima facie case for a question of privilege. It is rather in the nature of a complaint. Having had an opportunity of studying this motion I find that it does not take on the character of a substantive motion. I regretfully must come to the conclusion that in my opinion there is no question of privilege.

Motion agreed to.

COMMITTEES OF THE HOUSE

MISCELLANEOUS PRIVATE BILLS

Eleventh report of standing committee on miscellaneous private bills—Mr. Wahn.

PUBLIC ACCOUNTS

Mr. G. W. Baldwin (Peace River) presented the first report of the standing committee on public accounts and moved that the report be concurred in.

Motion agreed to.

BUSINESS OF THE HOUSE

SUGGESTED CHANGE IN ORDER OF BUSINESS

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to make a suggestion. Having regard to the course of the debate yesterday I should think that we would not have too much hope of getting through with the motions that will be before the house. There are a number of questions of importance to the Canadian people which I feel should be asked. I am wondering whether the house would give consideration to going into orders of the day, and then returning to motions on the conclusion of orders of the day. Today is Friday and we are trying to co-operate in every way, but it will be impossible to get answers to questions unless this is done.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I would like to endorse that suggestion. There are a number of very vital matters that have come up on which the government might want to make statements, and about which hon. members will certainly want some information. There would be some merit in having orders of the day now, and later reverting to motions.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, it seems to me that while the right hon. gentleman's proposal is an understandable one, and in a sense a very reasonable one, I should have thought that perhaps the debate we were having yesterday would be concluded very shortly, because I would think everything that could be said for or against the report of the committee has been said.

We have had one vote, and if we could have the other two votes this morning we could dispose of it. Perhaps we could go on until lunch time and see what developments take place, and then if there is no possibility of finishing this debate today perhaps we could go on to orders of the day after the luncheon recess.

Mr. Speaker: If there is not unanimous consent I am obliged by the rules of the house to follow those rules.

PRIVILEGES AND ELECTIONS

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

The house resumed consideration of the motion of Mr. Caron for concurrence in the second report of the standing committee on privileges and elections, and on the amendment thereto of Mr. Knowles.

Some hon. Members: Question.

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I would like to say a few words about the amendment under discussion at the present time. I realize that nothing I might say will change much for at this stage questions are pretty well settled. I say this openly and publicly, because it reflects my firm belief, and probably that of the public as well.

Mr. Speaker, before coming to the heart of the matter and speaking to the amendment of the hon. member for Winnipeg North Centre (Mr. Knowles), I wish to say that I apologize for my fellow French Canadians who, yesterday, have shown to the nation what stuff they are made of.

Actually, Mr. Speaker, I feel that yesterday you got in this house a fair sample of the political views of some French Canadians.

This day will remain forever in the annals of parliament as a typically bitter fight between French Canadians which simply made me sick.

I think we could blame the Speaker for not having put a stop with a firm hand to this brotherly slaughter, because he allowed some members to stray completely from the subject.

But, on the other hand, I think that the Speaker deserves to be thanked, because he wanted to give us a sample of what some of our fellow French Canadians can do and say. I shall never forget it as long as I live.

Mr. Speaker, I disagree with the conclusions of the committee on privileges and elections because its members have not dealt with the case in point. You should be mindful of the fact that the committee was asked simply to reach a decision as to the recognition of the party. Yet, sidetracking the issue completely, the committee set themselves to the task of determining the order of precedence of the various opposition parties in this house, which was precisely the task assigned to the Speaker, following the conclusions reached in the committee's report on the recognition of the different opposition parties.

And as a final conclusion to its work, the committee is asking counsel to settle the one and only question on which the committee was supposed to make a decision.

Mr. Speaker, I suspect the members of the committee on privileges and elections were badly informed. And to substantiate that impression, I submit that the most important piece of evidence in the matter was almost intentionally put aside. I refer to the statement signed by the 12 members who are giving their support to the new leader in this house, the hon. member for Villeneuve (Mr. Caouette), and repudiating the former one, the hon. member for Red Deer (Mr. Thompson).

Great efforts were made at all the meetings of the committee to produce a letter from our present leader in the house, the hon. member for Villeneuve, in which he was just stating the results of the various steps taken by the 13 members since the Granby convention.

The hon. member for Lapointe, the only representative of our party on the committee—whereas the party of the hon. member for Red Deer had two representatives, although it has fewer members than our group—did try to produce that essential proof, but he had great difficulty—in fact he was nearly prevented from giving evidence by the committee chairman himself—to say anything about it.

We suspect that everything was done so that the situation would not be clarified before the committee. That is why it is our duty to say to the house what really happened, so that all those present may still believe in the rights of the members in this chamber and judge the matter impartially.

Mr. Speaker, I read with great attention the minutes of proceedings and the evidence given to the committee on privileges and elections. I did not attend regularly the proceedings of the committee, except for five or six minutes at a time. When I saw the absurdity of these proceedings, I left in a hurry.

There are some good points, some less good and some bad in these reports of the committee on privileges and elections. After sifting all its verbosity, and leaving out all the unnecessary words and evidence, there remain three facts that may serve my argumentation.

I want to speak of the basic argumentation held by the hon. member for Winnipeg North Centre (Mr. Knowles). I shall use also the evidence, given by the hon. member for Cariboo (Mr. Leboe), to refute the proposal made by the hon. member for Labelle (Mr. Girouard) in conjunction with the Liberal members.

All day yesterday there was mention of the legal rights of the parties. Some petty French Canadians even cried in the house that it was our duty not to grant the rights and privileges our group is entitled to because that was against the law. Well, let those people show us beyond any doubt that legally third parties do not exist in the British parliamentary procedure. The whole matter is definitely based on that point.

Mr. Speaker, if one reads carefully the statements and information, especially the one presented by the hon. member for Winnipeg North Centre, as well as the other statements, one realizes how ridiculous is that petty political fight, which I shall denounce throughout the province.

They say that as a group we are not entitled to our privileges. Well, Mr. Speaker, if that is not filibustering or the worst kind of muzzling ever seen in this parliament, I wonder what it is.

What did the hon. member for Labelle say, he who claims to be the champion of the rights and laws of parliament? On page 24 of the same report he is quoted as saying:

> As Mr. Girouard said, there are in the constitution, in the British North America Act, or in law no precedents anywhere which lay down criteria, standards, definitions and conditions as regards parties.

When the hon. member for Labelle claims that there is nothing to determine that and then pretends to defend the law and legal principles here, I wonder on what kind of an argument he can base such an idiotic statement as the one he made to the committee.

The hon. member for Winnipeg North Centre goes on:

> Parties are national organizations formed by Canadian citizens. They do not exist in the House of Commons. They exist in the House of Commons as members of parliament, as groups.

And not as a party. Such is the law. Those who try to evade the law do so to play politics. But to promote justice, one must comply with the law and this is the last point I wish to make today.

The hon. member for Winnipeg North Centre continues:

> I suggest that the most dangerous thing we could do would be for the House of Commons by a majority vote to decide that parties A, B and C are official parties in Canada and parties D, E and F are not.

That is just what you did, and what you are doing now; you want another party to decide what only your party has the right to determine.

And the member for Winnipeg North Centre says:

> No need for me to quote historical examples for that kind of thing.

Then, he pursues his argument by saying, as you may see on that same page 24 of the report:

> The group supporting Mr. Caouette is actually asking the House of Commons to take a decision as to who of the two is the party leader.

Please note that in the request of the hon. member for Villeneuve, the latter addresses himself to Mr. Speaker, advising him of the fact that we are a group, and asking him to be so kind as to recognize us, which is the object of his letter.

And the hon. member for Winnipeg North Centre adds:

> In internal matters—
> If the Conservative party asked the House of Commons to decide who is the leader, Mr. Diefenbaker or Mr. X, or if the Liberals or ourselves asked such question, we would be told that it is none of our business—
> The internal business of Social Credit has been explained to us. It is not up to us to take any decision in this matter. It is not for us to decide whether a federal Canadian party is official or not.

It seems to me that we have here a rather clear interpretation of the law, so that each hon. member may intelligently and, more particularly, legally decide for himself.

The hon. member for Winnipeg North Centre also said:

> We have to decide, on the evidence, how many groups or members there are in the house and then, having made a decision on that, we will have to decide on the recommendations to be made to the Speaker concerning the precedence of each group and the seating arrangement.
>
> Although there are no citations supporting the contention that parties exist in the House of Commons on any official basis, there are a couple of citations that support the fact that we are various groups. I have here a citation from Beauchesne which, I hope, Mr. Beauchesne will let me read in one of the official languages of the country.
>
> In section 20, page 17 of Beauchesne, fourth edition, there is a judgment which was made a long time ago, and in order to tell the whole story I had better read it. He says:
>
> The members who do not support the government and do not belong to the opposition party should all be considered as Independents.

Mr. Speaker, it seems to me that it is the very crux of the matter. A thorough examination of the rules and regulations allow one to realize that, actually, there are only in this house two official groups which can really be called parties, that is to say the party in office and the official opposition. The other so-called parties are merely groups which are reconized through the courtesies of parliament. That is how we should really interpret our rules and regulations.

It is all very well to fool around with the term "party", but actually, one may only speak of a third party by extending the courtesies of this house to the second, third and fourth opposition groups. It is a question of courtesy, and nothing more.

That is why the hon. member for Winnipeg North Centre (Mr. Knowles) added:

When I first came to the House of Commons, Mr. King used to quote this often and he was very reluctant to grant to the C.C.F. and Social Credit parties of that day the courtesies which he granted them later on. Even Mr. Beauchesne had to admit certain facts... I think... we have to decide... but, let us not commit the folly of deciding by a majority vote of the members, which are official parties and which are not.

In regard to what constitutes a party, I believe, in view of the interpretation of the English law, that there is no use for the three minor groups, on this side, to use the word party as a legal word; it is extended to them only as a matter of courtesy.

This is the reason why I was saying a while ago that the main argument that could be raised is that if the Liberal party, if all the Liberal members, had stopped playing politics in order to treat this situation strictly from a legal point of view I really believe that they would not have been so hasty in reaching a decision.

Mr. Speaker, the second point to which I would like to draw the attention of the house is a statement by the member for Cariboo (Mr. Leboe). The hon. member upheld the theory in regard to the protection of the electorate. The member for Cariboo said, as shown on page 34 of the same committee report:

[*Text*]

I think we here must protect our electorate in regard to anything we have before us.

[*Translation*]

A little further he added:

[*Text*]

The rights and privileges of the electorate must be protected.

[*Translation*]

If we want to protect the rights and privileges of the electorate I wonder whether we should not start by protecting the rights and privileges of those whom this same electorate has chosen. My electors voted for Social Credit, through the Ralliement du Credit social. I owe it to myself to respect the views of my electors. I am convinced that my electors would never have forgiven me, after I was elected under the label of the Raillie-ment du Credit social or the Social Credit, if I had associated with the Liberals in the house in order to form a compact entity.

Mr. Speaker, I should like to quote part of the resolution submitted by a Liberal member; that resolution does not stand up once it is explained, but I should like to quote a brief passage of what was said by the hon. member for St. Lawrence-St. George (Mr. Turner). He stated, as found on page 36 of the same report:

Mr. Chairman, I will follow the example of Mr. Drouin, if I might, who said that we are acting here as a jury.

That is quite an interesting little passage because the committee claims for itself the role of a jury.

If you wish, Mr. Speaker, let us find out together how a committee can be officially considered to be a court of inquiry when it does not carry its assignment further. If it is to be a jury, as suggested by Mr. Drouin, first of all it should have at least the basic attribute of a tribunal made up of a jury and a presiding officer. All members of the jury should meet certain essential conditions such as integrity and the absence of any family or political ties with the accused.

Above all, the jury should not be at the same time prosecutor and judge. I am asking myself whether this committee, this little tribunal, is not fundamentally wrong? I still wonder whether the majority of members of this committee do not have preconceived ideas, whether they have not prejudged the case? Why have they strayed from the right road throughout the whole inquiry and then, out of breath, decided to pass the burden to somebody else?

I believe that those who have voted for us in that committee were those whose sole purpose was to unearth truth, so that justice might prevail. And I thank them from the bottom of my heart for, though few details were available to them, they have succeeded in unearthing the truth.

Are you led into that frantic dance of lost pains by your national conscience or by fear of the electorate?

Who is acting most ridiculously in this hullabaloo? Well, take a good look at yourselves, gentlemen. You are merely the shadow of yourselves and the people who elected you to represent them here will never forgive you your political dictatorship.

If we consider the political status—

Mr. Loiselle: What a fine written speech.

Mr. Gauthier: I can write my speeches but you do not seem to be able to, since you have not spoken yet.

If we consider the political status of our opponents in that committee, we note that when the question was put, all the Liberals—please note that, Mr. Speaker—all the Liberals, plus two Thompson supporters, denied the right of representation and consequently the right of speech to the hon. member for Villeneuve's party.

An hon. Member: How come you are speaking at this moment?

Mr. Gauthier: Mr. Speaker, I am asked why we are speaking.

An hon. Member: You have been speaking for two days.

Mr. Gauthier: I am speaking as an individual but what we are demanding is the right of speech for our group. I know that some Liberals have not yet been able to make that distinction, which goes to prove that there are still in this house people with narrow views because of partisanship.

Mr. Speaker, I forgive the first Thompson supporter, the hon. member for Cariboo. I realize that being born an English speaking person and being a member of the other group which all along tried to overwhelm the hon. member for Villeneuve, he drew the normal conclusion from his yearnings.

But when I see the hon. member for Lebel—

Mr. Girouard: Labelle.

Mr. Gauthier: The hon. member for Labelle, a man for whom I worked myself, I am greatly disappointed to see that he has stooped so low; I cannot understand him. When I see that alleged French Canadian, conscious or not of organized injustice and even voluntarily taking part in that anti-French Canadian dispute all I can logically feel towards him is aversion.

The hon. member for Lebel—

Mr. Girouard: Labelle.

Mr. Gauthier: The hon. member for Labelle takes exception to the name the Ralliement des creditistes, even though he knows that his argument is unfounded and untrue. Mr. Speaker, I am convinced that the hon. member for Labelle knows beyond any doubt that his argumentation is false and that he is playing upon words, because Bill C-91 does not impose any condition upon house leaders of the various groups.

Why then—

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

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, if I may be permitted to make a comment at this stage, I should like to call your attention to the fact that the hon. member for Roberval has claimed that we wanted to restrict his right to speak. Now, he has been talking for more than 30 minutes, and I am of the opinion that the house would be willing to grant him all the time needed to pursue his remarks.

Mr. Gerard Girouard (Labelle): Mr. Speaker, I rise on a question of privilege. I did not think it was worth while but, since the hon. member still has a few minutes left, I would ask him to withdraw the words "the hon. member knows beyond any doubt that his argumentation is false". I feel that is overdoing it.

Mr. Gauthier: Mr. Speaker, I shall be glad to withdraw them, since I just thought he knew it.

Mr. Speaker, I thank my good friend the Minister of Public Works—

An hon. Member: Friend?

Mr. Gauthier: Yes, my good friend. Have I any enemies in this house?

Mr. Speaker, I thank the minister, but I should like him to know that it is as one of its members that I am granted by this house the right to speak, and that is something I never denied.

As members of parliament, we have our liberty, and I have said it a while ago to your friends. However, how can you establish that difference; it is our liberty and our rights as a group that we want. Can you rise to that level?

Mr. Speaker, I understand that the group of the Ralliement des creditistes is certainly superior to a group of 11, and I have heard the younger members of the group saying that they only claimed their rights; but they were never denied their rights; they have their rights as a group. But why do those men whom we started in politics and are now trying to beat us refuse to grant us our rights? And the hon. member for Labelle is the first one to do so.

Mr. Chapdelaine: I went to Roberval.

Mr. Gauthier: Mr. Speaker, I hear the hon. member for Sherbrooke (Mr. Chapdelaine) saying that he was campaigning in my riding. Let me say no more, since everybody knows the respect I have for him. Besides, it is better that I say nothing, and he knows it.

Some hon. Members: You had better not talk about that.

Mr. Gauthier: Yes, it is better, in order to protect him. In fact, I even protect my enemies.

Mr. Speaker, why does the committee refuse to recognize the group of the hon. member for Villeneuve and impose conditions to them? I see only one reason, and that is that the hon. member for Lebel—

Mr. Girouard: Labelle.

Mr. Gauthier: It is that the hon. member for Labelle is a member of a group that is willing to make every concession to the

Liberals, provided the present government refuses the right to speak to the only French Canadian group legally representing the French Canadian voters in this house. It is disgusting, but that is what that group has given evidence of, by systematically uniting with the others to muzzle us.

Mr. Speaker, I ask of all those who consider the small trips which were granted to our fellow citizens, I am of the opinion that this is too high a price for a few moments of glory.

Mr. Speaker, I ask of all those who consider justice above their partisanship to have a human thought.

You, former creditistes, have always been told that in the Social Credit party, principles should rank higher than people. The first of those principles is that a true creditiste holds that his very first responsibility is to the people who have elected him.

Believe me, Mr. Speaker, I have nothing against—

An hon. Member: It is the Ralliement.

Mr. Gauthier: Yes, it is the Ralliement not Social Credit that got you elected, and that is what we have been trying to have you understand, but it seems that as far as the hon. member for Labelle is concerned, that is impossible.

Mr. Speaker, I do not bear any grudge against the hon. member for Red Deer. He is an excellent man, a nice guy as we say back home. In fact, he is such a nice guy that he gives himself and ourselves to everyone.

I have to reprove seriously my fellow citizens. We have been fighting for the recognition of the French fact for months. Looking at certain French Canadian jokers who take pleasure in knocking their brothers because they were bold enough to demand their right to speak, I am sometimes ashamed of my race.

Mr. Speaker, we have been lowered to that level by politickers who have always used us. And to think that they are ready to revise our constitution. What a bunch of jokers. They should go and hide elsewhere to perpetrate their contemptible actions. They should no longer profane this house by their servility. As a French Canadian fellow citizen I say to them: return to your water-carrying chores. It is not with people of their kind that we will have a bilingual country, a constitution which will guarantee the rights of the two great races, and that we will succeed in shaping a strong Canada based on two great cultures.

And, in order to be fair to everybody, I now want to commend not only those who voted, but those who had the courage not to vote in order to prevent one of their French Canadian fellow citizens from speaking in this house. I commend them for having had this courage as I shall blame those who had the cheek, under the pretext of an inexisting law, to deprive a group of fellow citizens of their right of speech in the house.

It would certainly be of interest to the house to know what the committee could not know.

We are a political party—and when I say political party, I always mean it in a legal sense, and not the way other opposing parties see it: a political party by courtesy—because we were elected as Social Credit members through the Ralliement des creditistes, which is a provincial organization interested in federal politics. As a matter of fact, this is the case for each of the provinces, and the Alberta and British Columbia groups are no exception, because their members were also elected by their respective provincial organizations. To the contrary of other parties, with us, it is the provincial organizations which see to the election of their members. Each provincial organization is autonomous. That is why those younger Social Crediters who say that they have been elected through the Ralliement des creditistes are completely mistaken.

In short our federal party is a national party comprising all provincial organizations, as it has always been maintained throughout Canada with regard to the two ethnical groups.

It is somewhat difficult for members of the old parties who have experienced only the melting pot to understand. Someone will say: but there was a split. Well, that, again, is true. It happened after a legally convened meeting at the Granby convention, on the unanimous recommendation of nearly 1,500 delegates, when we had 19 members from Quebec who had been elected through the Ralliement des creditistes. I want to stress that the reasons for our acting in this way are connected with the administration of our party, and I do not care to discuss those reasons here, as some hon. members did yesterday. Those reasons are, as I say, of an internal nature. We acted legally and that is why we are asking Mr. Speaker to do what he has to do when there is a majority vote.

We found, to our regret, that we had to depose our former parliamentary leader, and I repeat "former parliamentary leader" because our opponents are always playing on the words "national leader" and "parliamentary leader". We had to depose our parliamentary leader in order to replace him by a new one, the hon. member for Villeneuve.

Please note that I do not question the right of the hon. member for Red Deer to

affiliate himself with another party, but when he makes commitments on behalf of the whole party, then I cannot go along with him. And I say to him, in a quite friendly spirit, as I say to those French Canadians whose confidence and respect he has kept: Stop that game, stop trying to usurp other people's property. After all, it is our group, the group from Quebec, which has created the present Social Credit movement.

We say: "Go on, but leave us our clothes." You see, we do not ask much, leave us our rights as a group.

You have more to do to find someone to your own image and likeness. Why not cross to the other side of the house; go back to your Liberal brothers. The chance of survival for your group is on the other side, although it will cause some small inconvenience to those who will accept you, because some are so much tinted in blue that they will stand out a little.

We feel no bitterness against anyone and we want only one thing: that each member enjoy fully his rights and privileges as concerns his group.

You recognized the rights of the group of 11 and you refuse the same rights to a group of 13, therefore a majority group.

All responsible papers shout fallacy and injustice. Throughout its history, Canada has never witnessed such a gag being imposed on a group of French Canadians in this parliament by a Liberal government. For us, we shall never—and please pay attention to those words—we shall never dare deprive another group of its rights to speak in this house.

Through the doubtful doings of the committee, under cover, to hide the truth to which several still sincere members of that committee were entitled, a purely political purpose was achieved, that of killing a potential political enemy. In fact, for the old parties, the member for Red Deer represents no danger at all, but the member for Villeneuve is a man to beat. I doubt that the Liberals have been deceived, and that, you know it very well. The battle is fought for that sole purpose.

I claim that this ridiculous situation has lasted too long already, as shown by your behaviour in the house. We might think this is a perfect Babel.

One day you vote for one thing, the other day, you vote precisely for the contrary. In this house, a strong majority vote imposes a gag on us, so as to stop us from speaking, to deny our political party the right to its privileges, and, two days later, in this same house, remorsefully, a unanimous vote restores to us the rights which had been so arbitrarily taken away. Through partisanship, you vote for a blatant injustice. But the next day, fearing public opinion, which shows its disgust in all the newspapers, as well as over the radio and on television, you are forced to back down.

They give the impression that Canada suffers from paralysis.

It is not by shouting at the top of their voice "I am a French Canadian, I am of French Canadian descent", that they will be useful to their race but rather by working in close co-operation with their brothers.

It is not by using the whip on their brothers that they will become great Canadians. It is rather by taking all the means at their disposal to defend them, in spite of their faults and whatever their party.

It is not over the dead body of their brother, knocked down without pity, that they will be able to proclaim themselves the champions of French Canada, but rather by fighting unswervingly and legally beside him until victory is achieved.

As far as we are concerned—and the people are with us—we admire all Canadians of both ethnical groups who have built this Canada of ours, so long as both groups hold themselves upright, with their heads high.

I despise servility in anybody.

All possible weapons have been used in the past few months. The latest one is the famous English formula: Take your time. I have always seen in that formula a lethal weapon against the aspirations of French Canadians, both in the federal parliament and throughout Canada. In French, we have another formula: Le temps vient à bout de tout—confederation of 1867 is a striking example of that.

Indeed, if you take a close look, what is left of the rights which were guaranteed to us by the constitution? There remains so little that we are wondering whether it would not be better to write an entirely new constitution. The "take your time" formula has worn away everything.

Mr. Speaker, we are a group of 13 French Canadians who were duly elected as Social Credit members, it should not be forgotten, by supporters of the Ralliement des creditistes.

Go throughout Quebec and people who are the least bit sincere will tell you that that is the honest truth.

Consequently, our election is just as good as that of the 11 followers of the hon. member for Red Deer. We are in greater number and we have seniority over them through our leader, the hon. member for Villeneuve.

We demand the same rights and privileges as members of other parties in the house.

We do not recognize the present committee's authority to determine whether or not we form a party, whether we are black or white.

We ask you, Mr. Speaker, to use the authority of your office to recognize us as such. I do not believe that any Speaker has ever required that someone be born again in order to be recognized in this house. This new procedure only exists under the present government.

I shall publicly accuse the Liberals of denying freedom of speech to those entitled to it under the constitution. I shall accuse them of playing petty politics by interfering with matters of no concern to them if they do not correct our situation right away.

We ask for the last time the support of all our French Canadian fellow citizens, regardless of their political party, as well as the co-operation of every sincere and fair English speaking member.

This matter is much more far reaching than you think. This is no laughing matter, Mr. Speaker. This might be the first step towards national understanding, just as it might be the last step towards final disunity.

The province of Quebec and all French speaking Canadians follow closely what is going on in this parliament where, for the first time perhaps in our history, such a large group of French Canadians decide to speak out in this house, the heart of the nation, to insist on their rights that would not even be denied to coloured people.

With all due respect, Mr. Speaker, I say that this is our own business and not that of other parties. If we, a group of French Canadians, have decided to change our parliamentary leader, it was also our right. We are the founders of this party which had not one member left since the wash-out in the west.

For the reasons I have just stated and many more still, of which the committee should have been aware before submitting the report now before the house, we were forced to depose our previous leader. I rightly say that we have deposed him by means of a majority vote. I do not think that at that point we had to seek the advice of all parties in the house. We chose a new parliamentary leader and I do not believe that any member in this house had anything to say in the matter.

What prompted us to take such action? After taking the vote. Bear in mind that it was after taking the vote, and this is what the committee did not understand. After taking the vote to change our leader, we decided to choose a new name.

We informed the Speaker of our new situation, so that he may indicate to the house our present status.

I am even quite surprised that the Speaker did not think that he should assume his responsibilities. It is obvious that he should have assumed them because, the matter having been referred to the committee, the latter shows by its report that it was quite unqualified to render a decision and proves by referring the whole matter to the internal economy commissioners.

Are you not of the opinion, Mr. Speaker, with all due respect, that you should have referred the matter to that committee yourself? In so doing, you would have avoided all that petty politics which only gives a further opportunity to the older parties to sharpen their swords.

You can surely see that the responsibility for the loss of time does not lie with us—

Some hon. Members: Oh, oh.

Mr. Gauthier: —but rather with those who refused to assume their responsibilities and also with those who did not mind their own business.

I am telling you all this, Mr. Speaker, without any preconceived idea, but rather to confront you with the facts which are so often altered by some politicians. This way, I hope that with the help of the legal counsel, you will be able, Mr. Speaker, to redress the immeasurable wrong caused to this party by treating it fairly and granting it the protection of the law.

I agree that one may value his party, Mr. Speaker, but to let partisanship create such an illegal situation is above all reasonable thinking.

We recognize, once again, to all the parties in the house the right to exist and that is why we simply request reciprocal consideration. Who can accuse us of demanding too much when we claim that right?

Mr. Speaker, we hold no grudge against our colleagues who have followed the hon. member for Red Deer. We will not even banish them, since they will be judged by the voters. But we are accusing them of joining those who refuse to acknowledge the rights and privileges of French Canadians, who deprive them of their right to speak, the right to organize and group themselves, in short the right to speak in the name of that group to other French Canadians.

It is solely on that point that I blame my fellow countrymen and I ask all French speaking people in Canada to judge them in the proper light.

Mr. Real Caouette (Villeneuve): Mr. Speaker, further to some remarks I made yesterday, I should like to say a few words in answer to certain assertions that were made yesterday by a few hon. members, especially by those seated to my right.

The Liberal party thought it wise yesterday, as the hon. member for Lapointe pointed out, to call on their own backbenchers to deal with the problem relating to Social Crediters. At no time has a government or a political party assumed such an uncompromising, such an arrogant attitude toward a group of members duly elected by the voters of their respective counties.

Mr. Speaker, I have often heard the Liberals assert strongly throughout the country their deep respect for the individual rights of Canadians, and their attachment to freedom and security. Today, it is the same Liberals who refuse to recognize the rights of a group of 13 members. They admit in private that we are right. They go even further as was shown by those who spoke yesterday, including the hon. member for St. Lawrence-St. George (Mr. Turner). They are convinced that we are right to demand official recognition of our group in the house.

Mr. Turner: Mr. Speaker, I rise on a question of privilege. I believe in what I said last night.

Mr. Caouette: He sticks to his beliefs outside but I say that he defends them here only as a matter of form because we have discussed the matter together.

Mr. Speaker, in support of my claim that those people are arrogant and that they have two attitudes, one within and one without parliament, I should like to quote an extract of the report submitted by the standing committee on privileges and elections under the chairmanship of the hon. member for Hull (Mr. Caron). On page 76, the hon. member for Northumberland (Miss Jewett) is reported as saying:

> I might go on with my other point, and then I will be glad to answer questions, because I think that the two points are related. My second point is that, in my mind, at any rate, and I think in the minds of many other people, the group under Mr. Caouette is very well organized. It is not simply a group of independents. They have their own leader, their own whip and their own house leader, I suppose. They have become a very well organized group.

The hon. member for St. Lawrence-St. George was present.

> The group under Mr. Caouette is a very well organized group.

I thank her for that consideration. It is well organized in the house and especially well organized outside the house.

> It is not simply a group of independents. They have their own leader, their own whip and their own house leader, I suppose. They have become a very well organized group.

This was before the vote yesterday.

> They should be allowed...certain rights and privileges in the House of Commons as a fairly numerous and organized group. I would argue, for example, whether or not they should be invited to speak on the usual round of speeches, time consuming though this is, in the address in reply and so on. I do not think that, in this case, there are any rules for us to go on.

A little further on, she states:

> I think that to be realistic, practical and fair we should treat the members of parliament under Mr. Caouette's leadership as an organized group and they should therefore be allowed to speak in turn and to enjoy certain other privileges in the house.

Those are the words of the hon. member for Northumberland in the committee on privileges and elections, but once the hon. lady was in the house yesterday, she voted against that assertion, that decision. Such is the prevailing mentality at the present time.

[*Text*]

Miss Pauline Jewett (Northumberland): On a question of privilege, Mr. Speaker, it is quite true that I said that, and I believe still that it is an organized group. However, we are now discussing the amendment, which is the seating problem. The hon. member has not referred—and this is my question of privilege—to what I said also in committee on the matter of seating. I then enunciated the theory that many of us have adhered to, namely that his group was a breakaway group and should sit at the bottom of the table, I think the phrase was.

We are now discussing the seating order, and this is the matter raised by the amendment of the hon. member for Winnipeg North Centre, not the question which is now being raised. I should like it brought to the attention of the house that further on in those same remarks I said that I thought the organized group then under the leadership of the hon. member for Villeneuve should sit in fourth place on the other side of the house.

Mr. Caouette: May I thank the charming lady, the hon. member for Northumberland, for the statement she has just made. I agree that in her statement before the committee she said that she wanted us to sit at the end of the house, but at the same time—and I now go on in French again—she said:

[*Translation*]

In case any doubt should remain, I am personally in favour of deleting section 4 from Mr. Girouard's proposal and keeping the first three sections, while dealing today with a separate amendment pertaining to a question of privilege.

That is what we voted on last night—precisely on the subamendment requesting the withdrawal of part 4.

An hon. Member: The amendment moved by the hon. member for Winnipeg North Centre (Mr. Knowles) was accepted.

Mr. Caouette: No, the amendment moved by the hon. member for Winnipeg North Centre was not put to a vote. And, by the way, since the hon. member for Hull (Mr. Caron) is rising to take part in the debate, I will say that if the committee came up with such a decision, it is precisely because the hon. member for Hull, who was the chairman of that committee treated the movement I represent in the house with exceptional arrogance.

[*Text*]

Miss Jewett: Mr. Speaker, if I may again raise a point of privilege, it seems to me that this is a misrepresentation and that we should have the record quite straight. The subamendment introduced yesterday by the hon. member for Winnipeg North Centre—

Some hon. Members: No.

Miss Jewett: I am sorry; the subamendment introduced yesterday—

Mr. Deputy Speaker: Order, please. This is obviously not a question of privilege. This is argument, and the hon. member will have the opportunity to speak in the course of the debate. She cannot present an argument at this time.

[*Translation*]

Mr. Caouette: Thank you, Mr. Speaker.

As I said yesterday, the committee's terms of reference were not to decide where we should sit but rather whether our group of 13 members should be recognized as such or not. That is all the committee had to do. Well, they decided to have some fun, to hold a trial. The hon. member for Labelle (Mr. Girouard) and the hon. member for Cariboo (Mr. Leboe) were asked by the committee to run down the group to which I belong and which I lead in this house. It was said that the hon. member for Lapointe (Mr. Gregoire) had been invited. That is correct, but as an observer, and he was denied the right to vote. He was allowed to speak but he was deprived of his right to vote.

Mr. Speaker, we have—

Mr. Jean Chretien (St. Maurice-Lafleche): Mr. Speaker, I rise on a question of privilege. The hon. member for Villeneuve has just said that the member for Lapointe did not have the right to vote in the committee. That is wrong. Recorded votes were taken and he was given the right to vote in the committee.

Mr. Speaker: I am sorry to interrupt the hon. member but, in my opinion, there is no question of privilege.

I suggest that the hon. member for Villeneuve be allowed to proceed.

Mr. Caouette: Mr. Speaker, to continue my remarks, I maintained yesterday that the press in general, in Canada, is wondering why such unfairness is shown one group in the house. We are not denied the right to speak; but on an official or important statement by the government, is it not true that I was denied an opportunity to speak here, supposedly because our group was not recognized. We even asked that the question be put to the house on that occasion and the Liberal members voted against my being allowed to speak in this house. Two days later, out of courtesy, the member for Lapointe and myself were allowed to speak. What was the reason for this change of attitude? I do not know. One thing is certain, and the hon. members opposite know it, the electors in our ridings, not only mine, but the Canadian electors are shocked to see the flippant way in which a group of 13 creditistes of the province of Quebec are treated in this house.

I will quote the Montreal *Star*, which is not a creditiste newspaper, but one which favours the existence of only two parties in Canada. This is what the Montreal *Star* of October 10 had to say:

[*Text*]

The privileges committee of the House of Commons has probably settled nothing by its decision about parliamentary seating of the splinter parties. On the one hand they have declared that because the Social Credit split took place between elections, it should not be recognized. Mr. Thompson's group therefore remains the official parliamentary Social Credit party even though it contains fewer members than the creditiste wing. On the other hand, though not recognizing the split for one purpose, it accepts it for another: the committee elevates the New Democratic party to No. 3 place, above the split Social Crediters.

Where is justice in that?

It is impossible not to wonder what would have been decided if the split had been in either the Liberal or Conservative party, and on a much bigger scale. Let us suppose, for instance, that the Conservatives had split up, with Mr. Diefenbaker leading 40 members while Mr. Harkness led a group of 50. Who would then be Leader of the Opposition? Would the committee have decided that, because the split took place between elections, Mr. Diefenbaker got the nod?

Much of the argument about the credentials and reality of a political party in which the committee indulged was probably beside the point. Mr. Thompson became national leader of the Social Credit party at a time when the party's hope ran high that it would elect members all over Canada. In the event, it was Mr. Caouette in Quebec who delivered the goods at the polls, not once but twice. Without the creditistes, the parliamentary Social Credit party would have amounted to nothing but a tiny handful.

[*Translation*]

And a little further:

[*Text*]

More will be heard of this dispute, for the unruly temper of the House of Commons is likely to become worse before it gets better. This newspaper does not like Social Credit theory.

[*Translation*]

He does not like Social Credit. But such is not the case for my hon. friend from Brome-Missisquoi (Mr. Grafftey), who likes it.

[*Text*]

In so far as Mr. Thompson and Mr. Caouette believe and advocate this theory, we don't like either of them. If they fall out, it weakens the Social Credit case in the country, which is all to the good.

[*Translation*]

Mr. Caouette: At least, no one would contend that it is a creditiste newspaper.

[*Text*]

But so long as Mr. Caouette has a faithful parliamentary following bigger than that of Mr. Thompson, Mr. Caouette is entitled to believe that he has been ill done by in the committee on privileges.

[*Translation*]

That is an article which appeared in the Montreal *Star*. There is also a Toronto newspaper, the *Telegram,* which is not a supporter of the Social Credit doctrine, as the Liberals know very well. It keeps describing me as a demagogue everywhere, in Toronto and across Canada.

Some hon. Members: Hear, hear.

Mr. Caouette: The hon. member for St. Maurice-Lafleche (Mr. Chretien) might, at least, be serious. I understand that the hon. member is most intelligent, but at this time he is like a two-year old child. Mr. Speaker, let him not behave like this in his riding, because he would certainly never come back here. Mr. Speaker, the Toronto *Telegram,* says this:

[*Text*]

It is fun to bait and thwart a demagogue like Real Caouette; no doubt the Liberals and Conservatives in parliament are enjoying it immensely. But it is a stupid game dangerous to parliament and the nation, when the demagogue has a good case.

[*Translation*]

Mr. Speaker, I do not admit being a demagogue, but I admit I have a good case.

[*Text*]

Mr. Caouette has a good case for the recognition of his creditistes as a parliamentary party. Indeed, the Liberals and Conservatives appear to be violating the spirit if not the letter of a law passed only last July, which implies that a group with 12 members or more is entitled to party status in parliament. Mr. Caouette has 12 followers, and with him they form a party as distinct from the others as anyone could wish. But the government, backed by the official opposition, goes on according precedence to Robert Thompson and his 10 Social Crediters.

This does not accurately state the situation, but this article was written on October 9. We do appreciate the support we received yesterday from both the other opposition parties in this house.

An hon. Member: They may change it.

Mr. Caouette: The hon. member for Medicine Hat may join our group in the house, so there may be a change. The article goes on to say:

This injustice gives Mr. Caouette a grievance which rural Quebec will easily understand.

Not only rural Quebec but urban Quebec also.

To the inflamed eye of a French Canadian nationalist, the sight of the non-French majority denying full rights to this group of Quebec M.P.'s may well look like another example of "Anglo-Saxon arrogance".

[*Translation*]

Mr. Speaker, those are not my words; they are the words of the Toronto *Telegram.*

[*Text*]

Are the Liberals and Conservatives trying to create a French Canadian martyr at this time of strain between the founding peoples of our country? If not, they will cut short their foolish vendetta against Mr. Caouette and give him his deserved recognition immediately.

[*Translation*]

Mr. Speaker, we are not trying to foster an internal struggle between French and English Canadians. As Canadians, we are trying to get the recognition to which we are entitled. When I hear the Liberals talk over and over again of their respect for liberty, the human rights, the Canadian bill of rights—

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, does the hon. member for Villeneuve permit me a question?

Mr. Caouette: Yes, Mr. Speaker.

Mr. Pigeon: A moment ago, the hon. member quoted a newspaper report saying that the Conservatives were in agreement with the government, that they were not for the recognition of his group. Well, in my opinion, this article is altogether wrong, because we believe in democratic freedoms; in other words, we do not want to act towards the opposition as they did behind the iron curtain.

Mr. Caouette: Mr. Speaker, I thank the hon. member for Joliette-L'Assomption-Montcalm for drawing my attention to a fact which began to exist only yesterday.

As I said a moment ago, the writer of the report in question was probably not aware at the time of the Conservatives' attitude. Today, we can say quite frankly that the Conservatives have certainly given evidence of respect for democratic principles, which is much more than what the government did yesterday.

[*Text*]

Mr. Knowles: They changed their minds since the committee met.

[*Translation*]

Mr. Caouette: Mr. Speaker, I was saying a moment ago that the Liberals were boasting throughout the country of their attachment for democratic principles. In this connection, I would like to give you an example.

We have been accused of washing our dirty linen in public. If it had been possible to wash it among ourselves, in the Social Credit family, we would have done it.

In other words, we are accused of changing our stand. Well, what are the facts? Yesterday, I mentioned a letter sent by the member for Red Deer to the national executive of the Social Credit association. In the second paragraph, page 6, we can read this:

> Consideration should be given to changing the name of the national party.

Mr. Speaker, who is changing the name or wants to change the name? We, or the other organization?

I continue my quotation:

> In order to attain our purpose we shall probably have to find new means, without changing however our basic tenets. In that way, the public at large might find our purpose more acceptable.

Mr. Chapdelaine: Nothing has been changed yet.

Mr. Caouette: Mr. Speaker, I hear the hon. member for Sherbrooke (Mr. Chapdelaine) exclaim: "nothing has been changed yet". He at least has changed in the last few weeks, and we shall put things straight in his own county, with his constituents.

An hon. Member: A painful reception, indeed.

Mr. Caouette: The operation will not be in the least mysterious.

I quote:

> In order to attain our purpose, we shall probably have to find new means, without changing however our basic tenets. In that way, the public at large might find our purpose more acceptable. These affiliations of provincial associations of Social Crediters would show quite clearly that we are broadening our outlook, without sacrificing any of our basic principles. In so doing, we would obtain many new members, who might feel embarrassed today by the mere mention of the words "Social Credit" and by the false interpretation they were given of our financial program.

Mr. Speaker, we are able to support—

[*Text*]

Mr. Macdonald: On a point of order, I believe it would be in accordance with the rules of the house if the hon. member were to file or table the letter from which he was reading.

[*Translation*]

Mr. Caouette: Mr. Speaker, I do not believe I am required to make public all the contents of this letter. I wish to use a letter that was addressed to me and quote some excerpts. However, for the guidance of my hon. friend, if he wants to read the whole letter, he may come and see me anytime, today or next week, and I shall be happy to show him the whole letter.

Mr. Speaker, I also wish to draw attention to the fact that during the 1961 convention, when Mr. Manning, the premier of Alberta, was present, I was told by Mr. Manning, and the member for Lapointe (Mr. Gregoire) was present, that the movement would never accept a Catholic French Canadian as leader. Mr. Speaker, at that time, we could not fall into step.

In fact, I may say that neither the Liberals nor the Conservatives would have uttered such words as regards a Catholic French Canadian. For their consideration, I bow to the Liberals, since they had, as head of their party and of the Canadian government, Sir Wilfrid Laurier and the right hon. Mr. St. Laurent, who were both Catholics. They were not chosen particularly because they were French Canadians. No. But because they were Canadians. No consideration was given to the religious aspect, were they Catholics, Protestants or something else. People simply looked to see if they were true Canadians.

Consequently, such discrimination on the part of the premier of Alberta could not be tolerated. I believe that the Liberals, French Canadians as well as English Canadians, would not have tolerated such a situation in their ranks. On the other hand, the Conservatives would not have tolerated it either.

We could no longer stand such a situation within the framework of Social Credit in Canada.

An hon. Member: Nevertheless, you campaigned twice.

Mr. Caouette: Not under his direction, and this for your information.

Mr. Speaker, I now wish to quote an article published in the newspaper *Le Devoir*, on October 12, 1963. I believe it is recognized that this is not a Social Credit newspaper, for in it have appeared numerous articles against the theory of Social Credit and

against our organization. However, here is what it said:

Real Caouette is defending himself against an unfair treatment.

Whatever may have been the mistakes of the Caouette partisans, they are today perfectly justifiable to protest against the unfair treatment they are receiving.

When the Social Credit group, divided, came back to parliament on September 30, the Speaker, Mr. Alan Macnaughton, omitted, as was appropriate, to decide on the respective status of the Thompson faction and of the Caouette faction. He asked for instructions from the house, which referred the matter for consideration to one of its committees. That committee on privileges and elections was to determine the seating arrangement of the parties in the house and to define the status of the Ralliement des creditistes, the name taken by the 12 members faithful to Mr. Caouette.

The committee had only sat once when Mr. Caouette's followers, in order to speed up their party's recognition, decided to paralyse the business of the house. The move was premature, to say the least, and this they realized themselves two days later. Monday, they agreed to put an end to their obstruction, provided the committee would speed up its proceedings and reach a decision, which was done the following day. But for reasons which are hard to explain, the committee decided, 14 votes against 8, to grant precedence in the house to the Thompson group, which is smaller by two members than the Caouette group, and not to give recognition to the Ralliement des creditistes, because they had not withstood the test of a general election. Conservatives, N.D.P. members and the Caouette group opposed that decision, but Liberals and the Thompson group were in sufficient numbers in the committee to have it passed.

Since when do the members of parliament not have the right to interpret their mandate in the way they see fit after an election? Let the voters reject them at the next election if they are not satisfied—

Mr. Habel: That will be their lot after the next election.

Mr. Caouette:

Those are questions to which the committee did not seek an answer, the precedents being as scarce one way or the other. But we remember recent days when the Liberals had less scruples: when Mr. Hazen Argue or Mr. Ross Thatcher crossed the floor to join them or even when Mr. Marcoux quit the Social Credit at the beginning of the session.

Besides being unexplainable, the decision is quite unfair, since it deprives Mr. Caouette, although he leads a more representative group than Mr. Thompson of the right of speech on several occasions and of the right of representation on parliamentary committees. Therefore, the Caouettists are now justified to stand in self-defence and, if need be, to hold up the business of the house in order to obtain justice.

Some hon. Members: That is true.

Mr. Caouette:

It is to be hoped that the house will support them and repeal the committee's decision when the report is considered next week.

That report was by J. P. Fournier, of the newspaper *Le Devoir*.

Mr. Speaker, what we are asking for is absolutely legitimate. We will be blamed and held responsible again for the public business delays in the federal parliament—

An hon. Member: That is true.

Mr. Caouette: —when the whole fault is with the government in power, the Liberal government, since September 30.

I am saying and I am convinced that the whole thing was hatched and worked out underhand even before the committee made its report to the House of Commons.

Mr. Girouard: Remember Senator Drouin.

Mr. Caouette: I hear the hon. member for Labelle mention Senator Drouin. The hon. member is dishonest, because he has no right to talk here about things that do not and did not exist.

Mr. Speaker, I said yesterday and I repeat that the hon. member for Labelle would not be sitting in the House of Commons, had it not been for the Ralliement des creditistes of the province of Quebec which chose him as its candidate and had him elected in the April 8 election.

Mr. Habel: His Majesty Hitler.

Mr. Caouette: Mr. Speaker, I hear the hon. member of Cochrane (Mr. Habel) say: "His Majesty Hitler". His brain seems to have frozen in that northern Moosonee area on James bay, Mr. Speaker—

Mr. Habel: Mr. Speaker, I want to ask the hon. member for Villeneuve a question.

Mr. Caouette: Do ask your question by any means, if you can formulate one.

Mr. Habel: He who only mentions the remote area of Moosonee, he himself—

Mr. Caouette: What is your question?

Mr. Habel: Mr. Speaker, this is my question. Did you not run a Social Credit candidate in that remote spot you mentioned, and was he not soundly beaten, as I hope you will be in the next election?

Mr. Caouette: Mr. Speaker, you just heard the sort of question the hon. member for Cochrane can ask.

Mr. Habel: Would you answer my question?

Mr. Caouette: Grasp all its portent.

That question is no question at all.

Your question should rather be asked of the national organization. Mr. Speaker, if the question of the hon. member for Cochrane were intelligent, I would answer it. But I might, nevertheless, answer my excellent friend that the Liberal candidate in my own county lost his deposit. It is true that in the riding of the hon. member, the Social Credit

candidate lost his deposit, but he was not my candidate. I have no candidate.

Mr. Speaker, the hon. member can make all the interjections he wants; that is all the brainwork he is able to do in the house.

The newspaper *Le Droit* in Ottawa—

Mr. Boulanger: I suppose that you have a monopoly of brain?

Mr. Caouette: No, I have no monopoly of brain, but I like to give credit to those who have brains. But when somebody else has risen in the house, one should keep silent and let him talk.

Mr. Speaker, the paper *Le Droit* of October 10 last, said, in an article signed by Mr. Maurice Huot:

> A single paper, i.e. the Toronto daily *Star*, settled the discussion with the firmness of those who never have heard the word "doubt". In its October 8 edition, the paper wants the creditistes to be recognized under the act which defines political parties in the House of Commons and which was recently clarified by an amendment duly passed by the House of Commons and the Senate.
>
> That amendment provides an additional sum of $4,000 for the leader of each separate group. As Mr. Caouette heads a group of 13 members, whereas Mr. Thompson only has 11, it seems rather clear to the Toronto daily *Star* that there should be no useless shenanigans and that Mr. Caouette's group ought to be recognized.

There are several hon. members in the house who have some doubts with regard to that additional $4,000 indemnity, which, according to them, caused the division between the Thompson faction and ours.

Now, Mr. Speaker, I say here, before all assembled members—in order to show that the additional indemnity of $4,000 has nothing to do in this matter—that I am ready to leave this amount at your disposal, to be distributed to charitable works in Canada. It is as simple as that. There is no question at all in this dispute of this additional indemnity.

Mr. Habel: And the hon. member for Villeneuve will continue to collect funds.

Mr. Girouard: May I ask the hon. member for Villeneuve if he would mind to add the $8,000 against which he voted to this amount of $4,000, and also donate it for some charitable purpose, which would make a tidy little sum of $12,000?

Mr. Caouette: Mr. Speaker, as far as the additional $8,000 are concerned, the hon. member for Labelle may sleep in peace, I know how to use it. In the past, I unfortunately did use similar amounts, not only of $8,000, but much higher than that, to have some people elected like the hon. member for Labelle, for instance, which I deeply regret.

Those people—and the hon. member for Labelle will not contradict me, as he came to see me, in the house, every two or three days to ask me how he could become a convinced candidate of the Social Credit in the federal election. I supported him, and asked the members of his organization in his constituency, who did not want to support him, to accept him anyway as candidate at the forthcoming election.

Some hon. Members: Oh.

Mr. Caouette: Do not say oh. The member for Labelle is well aware of that.

Mr. Deputy Speaker: I would suggest to the hon. member for Villeneuve that he return to the subject he was dealing with in the early part of his speech.

Mr. Caouette: Mr. Speaker, here is the point—

Mr. Boulanger: That's it, go ahead and tell him.

Mr. Deputy Speaker: Order.

Mr. Caouette: Mr. Speaker, I can hear my learned friend opposite, and that reminds me of the little Chicago of 1946-48, whose job it was to always interrupt those who had the floor. It is a contest to find out who can utter the greatest nonsense. Those characters are holding such a competition to prevent members of the house from speaking.

In closing, Mr. Speaker, I say that we are of our times and we wish to take a stand, in this chamber, for the small nations of the world, and that in the name of democracy and the rights of man, the right of all people, as well as all groups and individuals, to be free.

What do we say about Russia, for instance, which does not recognize the existence of small parties? We do not want communism. We do not want a Cuban-type organization. We do not want Castroism in Canada. Are not the Liberals acting toward us now exactly like that good man Khrushchev is doing in Russia and Castro is doing in Cuba? So much so that last night I told newspapermen: "I think it is becoming more and more obvious: red is as red in Moscow as it is in Ottawa and red is as red in Ottawa as it is in Moscow." That is the situation we find ourselves in when we are subjected to a kind of treatment like the one we now have to put up with in the House of Commons.

Mr. Speaker, I notice that the Minister of National Defence (Mr. Hellyer), the Minister of Justice (Mr. Chevrier) and the Secretary of State (Mr. Pickersgill) are in the house at present. I regret the absence of the Prime Minister (Mr. Pearson) but I urge the federal leaders to remember the present position of their party and to stop telling hon. members, through their whip, how they should vote.

Let there be a free vote in the house to determine whether or not we care for democratic principles and whether or not in Canada men have the right to associate and to look after their own affairs. Let us recognize today man's right to form a party and be acknowledged as such. By doing that, the Liberals would be better accepted in Canada and all hon. members would have the respect of the Canadian electorate but, above everything else, they would command the respect of democracies throughout the world.

Mr. Deputy Speaker: Is the house ready to vote on the amendment to the main motion?

[*Text*]

Mr. Andrew Brewin (Greenwood): If no hon. member, Mr. Speaker—

Some hon. Members: Question.

Mr. Brewin: If no other member intends to address the house, Mr. Speaker, then I will forgo my right to do so.

Mr. Deputy Speaker: At least two hon. members, the hon. member for Rosthern (Mr. Nasserden) and the hon. member for Longueuil (Mr. Côté), have indicated by rising that they wish to speak.

Some hon. Members: No.

Mr. Deputy Speaker: The hon. member for Rosthern is rising, indicating that he wants to speak.

Mr. Brewin: If that is so, I should like to exercise my privilege by speaking for approximately two minutes. I was a member of the committee on privileges and elections. I had no intention of speaking in this debate. My views were fully and, if I say so, admirably expressed by the hon. member for Winnipeg North Centre. However, I do desire now to take two or three minutes of the time of this house in making an appeal. Mind you, and I know there can be other views, in my view the report of the committee was politically unwise, logically indefensible and quite inconsistent with the best traditions of parliament and the rights of individual members.

However, Mr. Speaker, it would appear to me that the members of the Liberal party, with admirable unanimity, have made up their minds and no amount of eloquence, no amount of argument, is likely to change their minds. We have had eloquence galore. We have had arguments ad nauseum on this subject from both sides of the house. I am not in collusion with the Secretary of State, but as an individual and quite unofficial member of this house, for the sake of the country, for the sake of parliament, I urge that we get on with this matter and deal with the serious business that is facing this country. I heard only a few minutes ago that the S.I.U. I imagine in defiance of the expressed will of parliament, is out on strike. If that is correct, then this is the sort of problem crucial to this country with which we ought to be dealing. We have heard enough; for God's sake let's vote.

The house divided on the amendment (Mr. Knowles) which was negatived on the following division:

YEAS

Messrs:

Aiken
Barnett
Beaule
Boutin
Brewin
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Casselman, Mrs.
Churchill
Clancy
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Doucett
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Forbes
Gauthier
Grafftey
Gregoire
Gundlock
Hales
Harkness
Herridge
Horner (Acadia)
Horner (The Battlefords)
Howe (Wellington-Huron)
Jorgenson
Kennedy
Kindt
Knowles
Lamb
Langlois
Laprise
Latulippe
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
Madill
Martineau
Monteith
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nugent
Orlikow
Pascoe
Paul
Perron
Peters
Pigeon
Plourde
Prittie
Rapp
Rheaume
Ricard
Rondeau
Rynard
Scott
Simpson
Skoreyko
Slogan
Southam
Starr
Stefanson
Stenson
Valade
Vincent
Watson (Assiniboia)
Webb
Winch
Winkler—82.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grace)
Badanai
Basford
Batten
Bechard
Beer
Benidickson
Benson
Berger
Boulanger
Brown
Byrne
Cardin
Caron
Carter
Cashin
Chapdelaine
Chevrier
Choquette
Chretien
Côté (Chicoutimi)
Côté (Longueuil)
Cowan

Division

Crossman	Leboe
Cyr	Lessard (Lake St. John)
Deachman	Loiselle
Deschatelets	Macdonald
Drury	MacEachen
Dube	McIlraith
Dupuis	McMillan
Ethier	McNulty
Eudes	McWilliam
Favreau	Marcoux
Forgie	Mitchell
Francis	Moreau
Garland	Morison
Gelber	Mullally
Gendron	Munro
Girouard	Nicholson
Gray	O'Keefe
Groos	Olson
Guay	Ouellet
Habel	Pearson
Hahn	Pickersgill
Haidasz	Pilon
Harley	Richard
Hays	Rideout
Hellyer	Rinfret
Honey	Ryan
Jewett, Miss	Tardif
Kelly	Thompson
Klein	Tremblay
Lachance	Tucker
Laing	Turner
LaMarsh, Miss	Wahn
Lamontagne	Walker
Lamoureux	Watson (Chateauguay-Huntingdon-Laprairie)
Laniel	Whelan—96.
Laverdiere	

Mr. Speaker: I declare the amendment lost.

Mr. Rouleau: I was paired. Had I voted I would have voted against the amendment.

Mr. Granger: I was paired. Had I voted I would have voted against the amendment.

Mr. Pennell: I was paired with the hon. member for Middlesex East (Mr. Millar). Had I voted I would have voted against the amendment.

Mr. McCutcheon: I was paired. Had I voted I would have voted for the amendment.

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

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, may I remind you that it is one thirty. As certain members of this group want to speak on the main motion, I should ask you to call it one thirty.

[*Text*]

Mr. Pickersgill: Unless someone rises to take part in the debate, Mr. Speaker, it seems to me you have no option but to put the motion.

[*Translation*]

Mr. Gregoire: No, Mr. Speaker, certain members of the Social Credit want to speak on the main motion.

[Mr. Brewin.]

I am sorry that this burns up the Liberal party, but we have decided to continue burning it up a little more.

[*Text*]

Mr. Pickersgill: In this house surely each member must speak for himself.

It being 34 minutes after one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the house that a communication has been received which is as follows:

Ottawa, October 18, 1963

Sir:

I have the honour to inform you that the Honourable Robert Taschereau, P.C., Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate chamber today, the 18th of October, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
sir,
Your obedient servant,
Esmond Butler,
Secretary to the Governor General.

BUSINESS OF THE HOUSE

SUGGESTED CHANGE IN ORDER OF BUSINESS

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, on a question of privilege, I was asked at the opening of the session this morning by the right hon. Leader of the Opposition and the leader of the New Democratic party whether it would not be desirable to interrupt the debate which had been going on in order that certain questions on matters of urgency could be addressed to the government. I said, as you will recall, Mr. Speaker, that perhaps we could proceed and see what happened during the morning.

We have dealt with a subamendment and an amendment, and if the hon. gentleman who has the floor could give the house the assurance, provided he is in a position to do so and other hon. members do not object, that his will be the last statement on the matter and we can proceed then to the vote on the main motion, then I think we should do that and go ahead with orders of the day right after that. I wonder whether the hon. gentleman could give us that assurance.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I think we would accept the proposition of

the Leader of the Opposition to proceed with questions on orders of the day because we feel it is our duty to do so; but in order to try to solve the problem before us we have prepared an amendment to the main motion which we desire to bring forward this afternoon with a view to solving the problem. Therefore we will agree to having the question period now and then returning to motions.

Mr. Pearson: Mr. Speaker, I understand that the hon. member agrees to taking questions now and then wishes to go back to the debate in which we have been engaged. It was my proposal that we should suspend this particular debate, go on with orders of the day, proceed this afternoon as indicated last night and then return to the matter we are debating at the earliest possible date.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in view of the fact that the hon. member for Lapointe has stated that he intends to move a further amendment, which apparently will result in further discussion, I wonder whether the Prime Minister would agree now to proceed to the orders of the day so that an opportunity would be provided to ask necessary questions at this time. It seems clear to me that on the basis of what has been stated by the hon. member for Lapointe the Prime Minister's hopes for the conclusion in a short time of the discussion on the seating arrangements are more sanguine than the facts warrant.

Mr. Pearson: Mr. Speaker, that is agreeable, but we are also anxious to proceed with certain urgent business; not that the business we are talking about is not urgent, but I am thinking of the setting up today, as we indicated we would try to do, of the committee on procedure so it could get to work next week. We are all aware now of the importance of procedure. Therefore if the debate on this other matter drags on indefinitely we will have to reconsider the situation at that time.

Mr. Speaker: Does the house give unanimous consent to proceed to orders of the day?

Mr. Gregoire: Under the provision that we go back to motions after questions on orders of the day.

LABOUR RELATIONS

TRUSTEESHIP LEGISLATION—THREATENED MARCH ON OTTAWA BY S.I.U.

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I should like to ask the Prime Minister whether he can bring the house up to date on any communications between the government and the President and secretary of labour of the United States in connection with the trusteeship legislation. Also, is the government aware of the fact, as I suggested when I spoke in the house on October 1, that if this legislation is proceeded with there is danger of a mass walkout of the S.I.U. workers? Furthermore, is the government aware of the threats made by the S.I.U., both in Montreal and Vancouver, to march on Ottawa by way of protest which, of course, will mean the holding up of shipping in those two ports?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I hope I will be able to deal with all the right hon. gentleman's questions, which are very important and of immediate urgency. The first question he asked, perhaps not the first but the one I have in my mind at the moment, was whether the government was aware of the danger that might be caused by the putting into effect of the government trusteeship legislation in view of the possibility of certain unions, or one union and the members of that union, taking exception to that legislation and attempting to destroy its effect. The government is very much aware of that danger, Mr. Speaker, and has been for some time. The danger would have been even greater if we had acted precipitously last July before we had attempted to bring about a private trusteeship.

The right hon. gentleman also asked whether I was aware of the development that had been reported today, namely a possible march on Ottawa by members of the S.I.U., and the action reported by their leaders in calling the seamen away from work and holding up shipping in that way. I have seen these reports, which must arouse not only great interest but great concern on the part of all members of the house and indeed of the country as a whole. The call to strike, if that is the right expression, and if it is not a strike it is a threatened strike, seems to have been issued in a bulletin called "Instruction Bulletin No. 1." I received this bulletin just before lunch. It is issued to members of the seamen's union by what is referred to as the seamen's rights committee of the seafarers international union of Canada. The instructions seem to be based on the assumption that the trusteeship law is in effect.

This, Mr. Speaker, of course is not the case. The law has passed all the stages of discussion in this house and has been approved by the Senate. It has not yet received royal assent, though I expect it will receive royal assent this afternoon. It will then not be in effect until it is proclaimed by the government. Although the law is not yet in effect, the

government certainly does not intend to defer action in this regard because of the pressure that might be exerted on it, or attempted, by a strike or the threat of a strike. Indeed, Mr. Speaker, under certain circumstances that pressure would have the opposite effect.

I think the action called for by these instructions contained in bulletin No. 1 issued by this committee is especially to be condemned at this particular time when negotiations for a private settlement, and one that would be satisfactory to the Canadian government and the Canadian Labour Congress, have been resumed. They were resumed last Saturday and they give hope—I can certainly go that far—of an early and successful conclusion. To have this action taken by the union concerned when so much progress has been made in these resumed negotiations for a private settlement which would be satisfactory to both sides of the line and to the labour union organizations concerned, I think is a deplorable development. Certainly this kind of threat does not in any way facilitate these negotiations.

We are in touch with the United States at the government level, and I understand the union organizations are in touch with each other. I do not need to tell the house how difficult and delicate these negotiations are. I do not want to say anything at this time which would interfere in any way with a very early and successful conclusion.

Mr. Diefenbaker: I should like to ask a further question. In these discussions that are taking place, I take it at government level, is the United States insisting that on this trustee board there shall be United States labour representation? Is that the condition upon which the question will be determined as to whether or not a private arrangement can be concluded?

I should like also to ask the Prime Minister, since he has gone into quite a bit of detail, does he think that having legislation passed by both houses of parliament and negotiations thereafter has a weakening effect on the authority of parliament to pass this legislation? There still has to be royal assent given, but when royal assent is given does the government intend to proclaim the legislation, or simply to use it as a means of pressure to gain a trusteeship settlement that apparently is being considered at the moment?

Mr. Pearson: I think it would be very unwise for me to make public now the terms of the negotiations that are being conducted. I can give the right hon. gentleman the assurance that in any trusteeship arrangement that would be acceptable to this government, and I am sure to the people of this country, the determining voice in any board of trustees would have to be Canadian. There is no doubt about that.

I want to assure the right hon. gentleman we are proceeding in the normal way with our legislation. I understand that royal assent will be given to it this afternoon. If within the next day or two or over the week end there is an assurance of a satisfactory private trusteeship, the act will not be proclaimed until that assurance is removed. However, we are not going to suspend the operation of this act for long during these negotiations. I hope we will reach a successful conclusion within the next day or two. If that is possible, and I think it is possible, then surely it would be a great mistake to proclaim this act tomorrow.

Mr. Diefenbaker: May I ask one more question. Is the determination of the personnel on this trustee board to be made at the direction of the United States?

An hon. Member: Stop that.

Mr. Diefenbaker: I suggest to the hon. member that he read the editorial in the *Financial Post* today to see whether there is some justification for what I am saying. Is the government of the United States pressing for a trustee board that will have United States representatives on it for the determination of a Canadian question?

Mr. Pearson: The Canadian Labour Congress has been primarily concerned with the negotiations on the membership of the trustee board. The labour congress, as indeed the government of Canada, will make absolutely certain that the interests of Canada in connection with that board, in membership and everything, will be overriding.

An hon. Member: That is no answer.

Hon. Michael Starr (Ontario): May I ask a supplementary question of the Minister of Labour. Will the Minister of Labour confirm or deny Washington press reports to the effect that he has been in communication with the secretary of labour of the United States, Mr. Wirtz; and were those telephone conversations initiated by the secretary of labour of the United States or by himself?

Hon. A. J. MacEachen (Minister of Labour): First of all I am not obliged, as is abundantly clear under the rules of the house, to confirm or deny any press report.

Mr. Starr: As a supplementary question, were these conversations that have been going on between the minister and the secretary of labour initiated by the secretary of labour of the United States or by himself?

Mr. MacEachen: Mr. Speaker, the conversations that I have been conducting with the secretary of labour have gone on for a long period of time, and I just cannot recall now who put in the first telephone call.

Mr. Starr: We realize they have been going on for a long time, but new conversations have been initiated since the trusteeship bill was introduced in the House of Commons. Those are the ones to which I am referring.

Mr. MacEachen: Well, Mr. Speaker, the fact is that the conversations which I have had with the secretary of labour of the United States have been continuous conversations. They have not been broken off at such a point that there are several stages or chapters. This is not the case at all.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I am sure the matter that is concerning the house most acutely is the possibility of the seamen walking off the ships and preventing the transshipment of wheat at this very critical stage before freeze up. I would like to ask the Prime Minister what steps the government is taking now in anticipation of this happening, and what the government intends to do if there is a stoppage of shipping on the great lakes?

Mr. Pearson: Mr. Speaker, every possible step that can be taken is being taken to prevent this happening.

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I would like to ask the Minister of Labour whether he intends to meet with Mr. Wirtz, Mr. Meany and Mr. Jodoin before proclaiming the trusteeship act.

Mr. MacEachen: Mr. Speaker, there are no plans on my part to meet with either or any of the three gentlemen mentioned.

Mr. Balcer: As a supplementary question, has the minister received any request from the S.I.U. to have an interview here in Ottawa with representatives of that union before the trusteeship act is proclaimed?

Mr. MacEachen: No, Mr. Speaker, I have received no such request.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Prime Minister, concerning the negotiations for a private trusteeship to which he alluded a moment ago, are the negotiations going on now or have they been concluded?

Mr. Pearson: The negotiations are going on now, Mr. Speaker.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I wish to direct a question to the Minister of Labour. Since the Prime Minister indicated that in the event of a private trusteeship being set up, Canada's interests would be overriding, does the minister not feel that his place should be with the negotiators in order that Canada's interests will be overriding? Further, as the government has a vital interest in this, is it not logical that he himself should be present at the negotiations?

Mr. Churchill: Who is doing the negotiating?

Mr. MacEachen: Mr. Speaker, I do not think the comments of the Prime Minister can be interpreted to mean that as of this moment there are a group of men, composing a negotiating team, actually in session. That interpretation cannot be drawn from the Prime Minister's statement.

Mr. MacInnis: As a supplementary question, would the Prime Minister indicate to the house just what "negotiations going on at this time" does mean? The Prime Minister has indicated to the house that the negotiations are going on at present. I would like an interpretation of what "at present" means?

Mr. Speaker: I am sure the hon. member realizes that if the Prime Minister does not care to answer he is not obliged to do so under our rules.

Mr. Churchill: As a supplementary question to the Prime Minister, is the house to accept now the interpretation given by the Minister of Labour of the answer which the Prime Minister gave me a few moments ago? Will the Prime Minister confirm or deny that the Minister of Labour's interpretation is correct?

Mr. Pearson: How silly can you get?

Mr. Diefenbaker: Mr. Speaker, could I ascertain from the Prime Minister whether he has been in communication, on the telephone or otherwise, with the President of the United States during the last few days with reference to this matter?

Mr. Pearson: Mr. Speaker, negotiations are going on at all levels.

Mr. Diefenbaker: That does not answer the question.

Mr. Chevrier: Order.

Mr. Diefenbaker: Has he received the consent of the President of the United States to the plan that the government has in mind for the settlement of this matter?

Mr. Pearson: That question, of course, Mr. Speaker, is asked in the kind of offensive manner which indicates that a reply is not expected.

Mr. Diefenbaker: Mr. Speaker, is the fact that a reply is not given indicative of the fact

that the hon. gentleman is waiting for the consent of the President of the United States?

Mr. Chevrier: Order.

Mr. Pickersgill: Order.

Mr. Churchill: Jack Kennedy and Jack Pickersgill.

MONTREAL—THREATENED STRIKE BY HARBOUR BOARD POLICE

On the orders of the day:

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I would like to ask the Minister of Labour what new steps are intended by his department to avoid a strike by the national harbour board police in Montreal; or is he going to wait until he has had an interview with Mr. Wirtz before making any decision in this case?

Mr. Pigeon: Or President Kennedy.

NORRIS COMMISSION—REPORT OF SPECIAL COUNSEL

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to ask a question of the Minister of Justice which I have asked previously, and which I think one other hon. member has inquired about since then. What progress has been made in the study of the special report made by the special counsel appointed by the Minister of Justice, regarding the Norris commission findings?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, as the hon. gentleman knows, that question has been asked almost every other day—

Mr. Churchill: Let us have an answer.

Mr. Chevrier: —since I have received the preliminary report, and all I can say at this time is that the report is still under study.

Mr. Starr: Since the Minister of Justice has referred to this as a preliminary report, does he expect other reports to be presented by the special counsel in respect to this matter?

Mr. Chevrier: It may very well be that another report will be forthcoming after this one has been under study by the legal officers of the department and the two counsel who have been appointed.

Mr. Starr: In view of the interest of every hon. member of the house in what could be done in this area, would the Minister of Justice consider tabling the preliminary report?

Mr. Chevrier: Mr. Speaker, this is a preliminary report for the information of the minister, and I do not think it has been the practice to table such reports under these circumstances.

WHITE PASS AND YUKON RAILROAD—EFFORTS TO SETTLE STRIKE

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have an urgent question for the Minister of Labour. In view of the fact that railroad and shipping operations of the White Pass and Yukon route have now been tied up for 14 days, can the minister indicate whether he or his officials or anybody else in the government is going to do anything to assist in alleviating this situation?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I can only advise my hon. friend that I have nothing to add to what I told him several days ago in this connection.

[*Later:*]

Mr. Nielsen: I wish to direct a question to the minister of northern affairs. It is related to the question I asked the Minister of Labour. I do so for two reasons to which I have already referred, namely the possibility of a rail and shipping tie-up, and the impending closing of the Haines cut-off in the next two or three weeks. Can the minister say whether he has decided to accept the offer of the Alaska authorities to keep the Haines road open?

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): All these questions are under intense study.

AIRPORTS

CHURCHILL—TRANSFER OF OPERATION FROM R.C.A.F.

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I wish to direct a question to the Minister of Transport. Can the minister advise the house whether the Department of Transport is planning, or has made arrangements, to take over the operation of the airport at Churchill, Manitoba, from the Royal Canadian Air Force?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I will take that question as notice.

DOMINION-PROVINCIAL CONFERENCE

CONSIDERATION OF ESTABLISHMENT OF PERMANENT SECRETARIAT

On the orders of the day:

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, my question is directed to the

Prime Minister. Could the Prime Minister inform the house whether there will definitely be discussions relating to the establishment of a permanent secretariat or secretarial organization for federal-provincial affairs, at the forthcoming November meeting with the provincial premiers?

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker. This is not a matter of immediate urgency, but it was announced previously that this would be one of the subjects to be discussed.

PENSIONS

INQUIRY AS TO CONSIDERATION OF LEGISLATION THIS SESSION

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. In view of the statement by Premier Robarts that Ontario will proceed with its portable pension plan if the Canada pension plan is shelved or delayed, and in view of the further statement that persons have been appointed to confer with the federal government on merging these two plans, would the Prime Minister take the opportunity provided by this question to give the house the assurance that the Canada pension plan will be proceeded with at this session of parliament?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have already indicated that the Canada pension plan will be proceeded with as soon as possible.

Mr. Knowles: As a supplementary question, is the Prime Minister aware of the fact that that answer has been interpreted as meaning the plan is to be put off until a later session? Can he not give a definite answer with respect to this session?

Mr. Pearson: Mr. Speaker, I am not responsible for other people's interpretations.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question, is the Prime Minister aware that it is the premier of Ontario who apparently interprets the Prime Minister's statement as meaning the Canada pension plan will not be proceeded with at this current session, and that if it is not proceeded with at this current session it is the intention of the Ontario government to proceed with its own pension plan? Surely in the light of this understanding by the premier of Ontario some clarification is necessary.

Mr. Pearson: I have not seen the statement, but I will be glad to look into it. However, any interpretation of that kind that the plan will not be proceeded with at this session would certainly be premature.

Mr. Speaker: The hon. member for Cape Breton South on a supplementary question.

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, the opportunity to ask a supplementary question has sort of slid by. However, I would ask the Prime Minister this question. In answer to the question of the hon. member for Winnipeg North Centre he said he is not responsible for the interpretation which other people put on remarks. Does this include the answer I received a short while ago from the Minister of Labour?

An hon. Member: No answers today.

BROADCASTING

INQUIRY AS TO REAPPOINTMENTS TO BOARD OF GOVERNORS

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I would like to ask the Secretary of State a question arising out of a certain discussion in public with regard to the broadcasting industry, and the report of the three men suggesting that the broadcasting industry needed to be stabilized for a period. I would ask the Secretary of State whether the government has given any indication to the members of the board of broadcast governors, whose terms of appointment are almost up—they will be within a very short time—that they shall be reappointed, in the interests of stability?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, no indication of any kind has been given.

TRADE

WHEAT—LEAKAGE OF INFORMATION AFFECTING SALE TO JAPAN

On the orders of the day:

Mr. R. R. Southam (Moose Mountain): Mr. Speaker, I have a question to direct to the Minister of Trade and Commerce but in his absence I would like to direct it to the acting minister. Does not the minister consider the recent leak of confidential data in the United States relating to wheat board sales of wheat has resulted in the cancellation of a proposed second sale of wheat to Japan, as reported in several daily papers in Canada and the United States during the past several days?

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, with respect to a second sale of wheat to Japan, we have been advised by the Canadian wheat board that there has not been a second sale to Japan, neither was one contemplated.

Inquiries of the Ministry

EFFORTS TO REVIVE TRADE BETWEEN ATLANTIC PROVINCES AND CARIBBEAN AREA

On the orders of the day:

Mr. Lloyd R. Crouse (Queens-Lunenburg): Mr. Speaker, I should like to direct a question to the Prime Minister. When he was speaking at Milford Station prior to the April 8 election he called for a revival of the West Indian trade between the Atlantic provinces and the Caribbean.

Some hon. Members: Question.

Mr. Crouse: If hon. gentlemen opposite will be patient, I am coming to the question. Would the Prime Minister tell the house what efforts he has made toward bringing about a revival of this trade between the Atlantic provinces and the Caribbean, and would he also tell the house whether he would use his good offices to help establish a direct air service between the Atlantic provinces and the Caribbean?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I would be glad to do this on a suitable occasion, but orders of the day is not a suitable occasion.

WHEAT—REPORTED THREAT OF U.S. COUNTER MEASURES

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, I have a question for the Prime Minister about a matter concerning the integrity and self-respect of every Canadian. Has the Prime Minister's attention been drawn to the threat made by United States officials regarding our export wheat sales to the effect that strong counter measures against Canada may be taken in 1964? What is the government's attitude toward this interference in Canadian affairs, and Canadian wheat sales in particular?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I do not know to what the hon. gentleman is referring, unless it was the statement reported in the press of some unnamed official in the department of agriculture in Washington who talked about possible counter measures in 1964. I do not think that kind of statement by an unnamed official in the U.S. department of agriculture bears the interpretation my hon. friend has given to it.

Mr. Rapp: Mr. Speaker, they were officials of the United States department of agriculture.

[Mr. Pepin.]

BULGARIA—REQUEST THAT AGREEMENT BE IN BOTH LANGUAGES

On the orders of the day:

[*Translation*]

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, on October 14 last, the hon. member for Chicoutimi asked a question of the Minister of Trade and Commerce in connection with the use of French during negotiations with Bulgaria.

I made an inquiry in this connection and this is what I found out.

Mr. Speaker, it was the Bulgarian delegation itself which asked that English be used during the negotiations preceding the signature of a trade agreement with Bulgaria. These negotiations were therefore held in English, except during talks between the Minister of Trade and Commerce himself and the principal Bulgarian delegate when the services of an unofficial but comparatively qualified interpreter, namely the parliamentary secretary, were used at certain moments only.

The final document itself was drawn up in English only and this on the request of the Bulgarian delegate, because since Bulgaria has no diplomatic mission in Ottawa it did not have its own translation facilities.

If the Bulgarian delegation had chosen French, the original documents would have been drawn up in that language.

The documents dealing with the agreement will be tabled in both languages as usual.

[*Text*]

INDUSTRY

USE OF CANADIAN STATISTICAL INFORMATION BY FOREIGN INVESTORS

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to direct a question to the Minister of Industry. I am sorry that I have not been able to give him notice, but it has just been brought to my attention, as usual. In view of the statement made by T. C. Higginson, president of the engineering institute of Canada, in Vancouver yesterday that government agencies, including the dominion bureau of statistics, are giving away important statistical information that helps foreign investors take over Canadian industries, would he consider looking into this charge and letting the house know what substance there is in it?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I would be glad to ask the Minister of Trade and Commerce to have this question looked into and, if there is any

substance in the charge, to make a report to the house.

AUTOMOBILES—PLANS TO INCREASE CANADIAN SHARE IN GROWTH

On the orders of the day:

Hon. Michael Starr (Ontario): I wish to direct a question to the Minister of Industry. In view of the present abnormal practice in Washington of allowing secrets to leak out, would the minister take this house into his confidence and review the plans by which he intends to secure for Canada a larger share of the anticipated growth of the North American automobile industry so that we may learn of those plans from him rather than from the United States newspapers?

Hon. C. M. Drury (Minister of Industry): As soon as a plan has been worked out and has been approved by the government, the house will be the first to know about it.

Mr. Starr: Is the minister saying that he went to the United States and revealed to them a plan which had not been worked out or approved by the government?

Mr. Drury: I just indicated that the plan had not yet been worked out, and that is correct. It was, therefore, not possible to reveal in the United States a complete plan.

Mr. Starr: What were you talking about, then?

REPORTED INTENTION TO ESTABLISH PEUGEOT PLANT IN ONTARIO

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, I would have a supplementary question for the Minister of Industry. Could he tell the house whether his plans in connection with the automobile industry also take into account a statement published in the Montreal *Matin* of October 17, 1963, where it is claimed that a subsidiary of the Peugeot industries would prefer to establish a plant in Ontario rather than in Quebec provided the federal government would grant it a preferential treatment if they established in Ontario rather than in Quebec.

Mr. Drury: Mr. Speaker, I will take this question as notice and I will answer it tomorrow.

Mr. Gregoire: The house is not sitting tomorrow.

Mr. Drury: Monday, then.

[*Text*]

HOUSING

REGULATIONS RESPECTING BONUS ON WINTER CONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, my question is intended for the Minister of Labour and it is a very urgent question of concern to all builders of my area and of Canada.

It is about the incentive program to promote home building during the winter. Why is a person who builds a six unit home between December 1 and March 31 denied the $500 bonus, when a $2,000 bonus is awarded to the one who builds a four unit home during the same period?

[*Text*]

Some hon. Members: Order paper.

Mr. Speaker: Order. May I suggest this is a question for the order paper.

NORTHERN AFFAIRS

QUEBEC—ADMINISTRATION OF ESKIMO AFFAIRS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I put a question to the Minister of Northern Affairs and National Resources?

Could the minister tell the house whether he intends to get at the truth of certain press reports to the effect that some officials of his department are putting pressure on Eskimos of northern Quebec or are blackmailing them so that they will refuse and protest against the wish of the province of Quebec to take over the management of their affairs?

[*Text*]

Mr. Speaker: I believe this question, if not asked in precisely that form, has been referred to previously. May I suggest it is a question for the order paper in any event.

Mr. Pigeon: On a point of order, Mr. Speaker, I do not think a question of this kind has been asked in this house in the past. I think it is an urgent question, for the good reputation of the civil service and the department conducted by the minister.

Mr. Speaker: May I suggest that it be put on the order paper.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, in accordance with the rules of the house, I should like to direct my question to the Minister of Northern Affairs and National Resources.

Is it true that the officials of his department are exerting pressure on the Eskimo population of new Quebec as I stated a moment ago in my previous question?

[*Text*]

Hon. Arthur Laing (Minister of Northern Affairs and National Resources): Mr. Speaker, I am rather happy that the hon. member has reworded his question which you earlier disallowed, because if it had gone unanswered there would have been a pall upon the officers of my department.

For some two years the province of Quebec has been sending its officials into nouveau Quebec to conduct the development of resources there, administer police affairs and so on, and in that period our officials have enjoyed a very fine degree of co-operation with them. As a matter of fact their officials have been invited to get in contact with ours to discuss affairs. We have rented several houses to the department of les richesses naturelles of the province of Quebec, and relations have been the very finest.

Therefore I can attach no measure of truth to this rumour at all. I know it is not so. Our officials there are under instructions to work as closely as possible with the officers of the province of Quebec who are now coming into the area.

GRAIN

REQUEST FOR INCREASE IN QUOTAS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, in the absence of the Minister of Trade and Commerce on business, and in the absence of the Minister of Agriculture, might I ask the Acting Minister of Trade and Commerce whether he would communicate with the wheat board in order to ascertain whether it is possible to increase the two bushel and three bushel quota per specified acre both in Saskatchewan and Manitoba, which is so much less this year in both provinces than it was a year ago?

Hon. Rene Tremblay (Minister without Portfolio): I will take this question as notice, Mr. Speaker.

[Mr. Speaker.]

IMMIGRATION

REFUSAL BY U.S. TO ADMIT CHINESE CANADIAN

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, I have a question for the Prime Minister, of which I have sent him notice. Is the government aware of the case of Mr. Wayson S. Choy, a Canadian born citizen who was refused admission to the United States on the ground that half his ancestry was Chinese; and will the government make representations to the government of the United States that such discrimination is inconsistent with the universal declaration of human rights, and offensive to Canadians?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I am grateful to my hon. friend for having given me notice of this question and also for having given me a little time to do the research which was required to get the information. I am answering him at some length because I know there are some questions of principle involved in his question. This matter was brought to my attention by Mr. Choy and others, and in view of the interest that it has aroused in the house and in other parts of Canada I would like to explain it.

At the outset I should like to make it very clear that as for Canadian law and policy, the present government, like its predecessor, is firmly opposed in principle and in practice to racial discrimination. Mr. Choy may rest assured that as far as Canadian law and policy are concerned, his Canadian citizenship is the same as that of every other Canadian born citizen.

With respect to the United States law relating to immigrant visas—and this is the matter immediately under discussion—it has since 1924, with some exceptions, been based on a national origins system. There are quotas, however, based on country of birth for most countries of the world. A separate—and this is the exception—and very small quota, based on ancestry and not place of birth, was provided for persons whose ancestry lies in what that law calls the "Asia-Pacific triangle". If persons born in Canada and Latin America fall within the rules relating to ancestry in the Asia-Pacific triangle, they come under this particular quota.

The result of this law in Mr. Choy's case was that when he applied to the United States consul for an immigrant visa in order to work in the United States, he was told that his application could be considered only under the Chinese quota, which is filled for several years ahead. Mr. Choy considered that the effect of the United States law is to discriminate on racial grounds, in the

matter of immigration visas, against him and a particular category of Canadian born citizens.

While it may not be appropriate, Mr. Speaker, for the Canadian government to make official and formal representations to the United States government against the racial origins features of United States domestic immigration law, this does not mean that the Canadian government favours the inclusion of racial origin provisions in the immigration laws of the United States or any other country. These provisions, however, are not directed against Canada. A prospective immigrant of Chinese ancestry would find himself up against the Asia-Pacific quota provisions regardless of what country he was born in.

An additional reason, Mr. Speaker, for not making formal representations to the United States government is the fact that on July 23 of this year President Kennedy sent a message to congress proposing important changes in the quota system. He described the national origins system as "an anachronism, for it discriminates among applicants for admission into the United States on the basis of accident of birth". He specifically proposed the repeal of the Asia-Pacific ancestry formula, which is the part of the law that affects Mr. Choy. The President's proposals are now being considered in congress.

Mr. Brewin: A supplementary question. Does the Prime Minister not feel that it might aid the President if the view of the Canadian government on this matter, which I suggest is more than just a domestic matter, were conveyed formally, rather than unofficially, to the United States government?

Mr. Pearson: Mr. Speaker, the views of the Canadian government as I have expressed them in the House of Commons will certainly be brought to the attention of the United States government.

LABOUR CONDITIONS

QUEBEC—MEASURES TO RELIEVE UNEMPLOYMENT

On the orders of the day:

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I should like to direct a question to the Minister of Labour. Could the minister tell us what steps the government intends to take to provide work for the 250,000 unemployed we have at present in Canada?

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Forty per cent of whom are in the province of Quebec.

[*Text*]

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

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, I would like to ask a supplementary question.

[*Text*]

Mr. Speaker: As I have said before, where there is no urgency to a question and the question is referred to the order paper I do not see how there can be a supplementary question to such question.

Mr. Ricard: Mr. Speaker, you have stated that this is a matter for the order paper, but you will remember that last year the hon. member for Essex East in particular asked such questions once if not twice a day.

Mr. Valade: Mr. Speaker, on a point of order, I believe you mentioned that a question has to be in order to receive a direct answer from the minister; that it should be urgent, and should also indicate a solution to the problem. I submit that the question put by the hon. member for St. Hyacinthe-Bagot is in order, because the papers this morning reveal that 40 per cent of the unemployed in this country are in the province of Quebec. If that is not an urgent problem I would ask Your Honour to tell me what is. The Minister of Labour should tell the people of Quebec and the government of Quebec what he intends to do in order to alleviate the unemployment situation in that province.

Mr. Ricard: This question apparently has no urgency for the government.

[*Later:*]

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, I should like to put a question to the Minister of Labour. He seemed earlier to consider as not urgent the fact that there are 40,000 unemployed in the province of Quebec.

Following the statement made by Lieutenant-General Stevens before the defence committee where he suggested that compulsory military service in Canada would constitute an excellent way of checking unemployment, does the minister consider this solution suitable for present needs in order to solve the unemployment problem in Canada?

[*Text*]

Mr. Speaker: I do think this is a question for the order paper.

Inquiries of the Ministry

[*Later:*]

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, may I direct a question to the Minister of Labour? Since the number of unemployed has reached 40 per cent in the province of Quebec, does the minister feel there is an emergency there and that his department should deal with it immediately?

Does the minister think this situation is urgent? That is a very simple question.

[*Text*]

Mr. Speaker: I am sure the hon. member must realize that we have dealt with this question many times. The whole subject of unemployment is, of course, very serious and urgent, but it does not conform to the rules of the house under the heading of urgency. If the hon. member will consult Beauchesne and other authorities I am sure he will find that is so. Is the house ready to proceed with its business?

Mr. Valade: The minister is afraid to answer.

TORONTO—REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

Mr. Reid Scott (Danforth): Mr. Speaker, I should like to ask the Prime Minister if he is now ready to make the statement that he was going to make on Wednesday about the extension of the winter works program for the city of Toronto.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I had hoped to make this statement yesterday, but as my hon. friend knows there was not much opportunity for statements on orders of the day yesterday. But I am glad to reply to him now.

As the Minister of Labour stated in this house on June 10, the municipal winter works incentive program for 1963-64 will operate from November 1, 1963 to April 30, 1964, inclusive. It has been found that under the seven and one half month period during which the program was in effect in recent years, many municipalities commenced their projects in the fall, discontinued work during the real winter months, and resumed construction in the spring. This, of course, defeated the purpose of the program to a considerable extent. The objective, as hon. members know, is to have municipalities carry their projects through the winter months when seasonal unemployment is at its highest.

The effective period of the program already announced for next winter covers six months of the year, which should permit municipalities to do some preliminary work in the fall and carry projects through to completion during the month of April.

A number of representations have been received regarding the effective period of the program for the coming winter, but it is not the intention to extend the period of the program beyond the six months, November 1 to April 30.

Mr. Scott: A supplementary question. Has the Prime Minister received a request from the mayor of the city of Toronto to meet with him and the board of control to discuss this matter?

Mr. Pearson: To my knowledge I have received no such request, though I have read in the papers that such a request is coming. If it does, I shall be glad to meet with them.

Mr. E. Nasserden (Rosthern): I should like to ask the Prime Minister if he thinks this change will increase winter employment.

Mr. Pearson: That is the intention of the change which was recommended to the government by officials who have had experience in the past of this program.

FALCONBRIDGE NICKEL—PROPOSED LAY-OFF OF EMPLOYEES

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have an urgent question for the Minister of Labour in view of today being the announced date for the lay-off of 530 workers at Falconbridge nickel mines. Can the minister say whether he intends to take any action on the brief submitted to him and to others of his colleagues by the representatives of the international union of mine, mill and smelter workers?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, my hon. friend will be aware that the suggested remedy for this lay-off as proposed by the delegation depends primarily on action to be taken by the company involved, in co-operation with the union. We have assured the delegation that within a decision of that kind the government will co-operate, and the unemployment insurance commission will be in a position to co-operate as well.

NATIONAL DEFENCE

REQUEST FOR WHITE PAPER OR STATEMENT ON DEFENCE POLICY

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I have a question for the Minister of National Defence. I should like to ask the minister whether he will publish his proposed white paper on defence

immediately, or alternatively give the house a full statement of his defence policy, rather than provide leaks to the press of bits and pieces of the policy such as appeared in the *Globe and Mail* and *Gazette* yesterday.

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, first of all I should like to compliment the press on their interest in keeping abreast of defence matters; I think this is very worth while, and that they should be commended for so doing. Second, as I have already announced, it is my hope that we can present a white paper to the House of Commons some time early in the new year before the next year's estimates, those for 1964-65, are considered. In the meantime we are still working on our long range plans and no decisions have been taken in that regard.

Mr. T. C. Douglas (Burnaby-Coquitlam): A supplementary question. The minister has not answered the question. May I ask him specifically to comment on the statement contained in yesterday's *Globe and Mail* that the government plans to switch half the Royal Canadian Air Force strike force of low level jet bombers in Europe to a non-nuclear role. This is an important statement. Is it an official statement of government policy? If it is not, is the minister prepared either to affirm or deny it?

Mr. Hellyer: It is not an official statement of government policy, Mr. Speaker. If it had been it would have been made in the house. So far as the problem itself is concerned, it it not new. Many statements have been made about the problem posed to the Royal Canadian Air Force by the fact that they are not allowed to have special ammunition storage at the two French bases. Obviously this is one of the matters we must consider, but no decision has as yet been taken. When a decision is taken it will be announced in the House of Commons in the normal course.

Mr. Douglas: Is the minister saying that this is not an accurate statement? That is what I am asking.

Mr. Hellyer: I have just said that no decision has been made.

Mr. Churchill: Mr. Speaker, I have a question which is supplementary to the one which was supplementary to mine. I should like to ask the Prime Minister if the reported cutback in nuclear weapons for the R.C.A.F. in Europe is to take place immediately and, if so, when does he expect that Canada will be entirely divested of nuclear weapons in accordance with his commitment to negotiate out of the nuclear field?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I have no comment on that reported statement. I have not even seen the statement.

CAMP GAGETOWN—PURCHASES OF PETROLEUM PRODUCTS

On the orders of the day:

Mr. Frank Howard (Skeena): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the minister had any complaints about the practice of the army at Camp Gagetown buying petroleum products from Irving Oil Company Limited, which is owned jointly by Mr. K. C. Irving and Standard Oil Company of California, while a sister company in that area owned by the same people, Irving Refining Limited, is undergoing a legal strike by the oil, chemical and atomic workers union? Would the minister look into the matter to ensure that the army is not participating in strike-breaking?

Mr. Speaker: This is a question for the order paper.

Hon. Paul Hellyer (Minister of National Defence): I have had no complaints that I know of. I will look into the matter.

QUEBEC—REPORTED CLOSING OF CERTAIN RADAR STATIONS

On the orders of the day:

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Could the minister confirm the announcement made to the press by the member for Lotbiniere to the effect that several radar stations, including the one at St. Sylvestre, in the riding of Lotbiniere, will soon be closed down.

[*Text*]

Mr. Speaker: Surely this is a question for the order paper.

Mr. Balcer: On a point of order, a similar question was asked by the hon. member for Lotbiniere and it was answered by the minister.

Mr. Pickersgill: Why should it be asked again?

Mr. Balcer: The hon. member for Lotbiniere gave a different story in his own riding from what was told him in the house by the Minister of National Defence.

Mr. Speaker: The hon. member has asked his question, but I cannot force an answer.

Inquiries of the Ministry

TELEVISION

REPRESENTATIONS RESPECTING ADVERTISING OF BEER

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to direct a question to the Secretary of State. Has the minister received protest letters from individuals or groups, following the decision of the board of broadcast governors permitting more publicity for beer on television, and increasing the maximum time of an announcement from 12 to 60 seconds?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): I was asked to see a delegation. Unfortunately my duties here prevented me from doing so, but I have seen the representations. Should the hon. member be anxious to get any further information I would be glad to get him anything I can if he would put his question on the order paper.

POWER

QUEBEC—REACTION TO ANNOUNCEMENT RESPECTING NATIONAL GRID

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, in view of the absence of the Minister of Trade and Commerce, I will address my question to his parliamentary secretary. Has the minister received official protests from the government of the province of Quebec or the department of natural resources in Quebec in connection with the establishment of a national power grid?

Mr. Jean-Luc Pepin (Parliamentary Secretary to Minister of Trade and Commerce): Mr. Speaker, I will consider this question as notice.

[*Text*]

POST OFFICE DEPARTMENT

INQUIRY AS TO STEPS TO PREVENT ROBBERIES

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the venerable Postmaster General. Could the minister tell the house whether he is aware of the $40,000 robbery which occurred yesterday and whether, by any chance, the name of the culprit would be on the list of privileged persons?

[Mr. Speaker.]

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I am aware of the robbery, but it is certainly not the member for Joliette-L'Assomption-Montcalm who did it because he was here yesterday.

Mr. Pigeon: I have a supplementary question, Mr. Speaker. Could the minister inform the house of the steps that are being considered by his officials or himself to prevent those robberies which are getting to be more numerous since the present government took over?

Mr. Denis: Mr. Speaker, it was under the Conservatives that robberies were numerous. Now, robberies are due to the shipping of money from the banks. Consequently, we have taken up the matter with bank representatives to find a solution.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Can I ask the Postmaster General if he knows who is responsible for the theft of his carefully guarded list of consultants?

Mr. Knowles: That was an inside job.

WORLD FAIR

REPORTED RECOMMENDATION THAT PROJECT BE ABANDONED

On the orders of the day:

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, I wish to direct a question to the Prime Minister. Does he have any comments to make on an article published in *Maclean's* stating that the Prime Minister's advisers recommended giving up the idea of a world fair in Montreal? The article appeared on page 17 of the October 5, 1963 issue of that magazine.

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I have no comment to make.

[*Translation*]

Mr. Valade: Mr. Speaker, I would like to ask a supplementary question. Have the Prime Minister's counsels advised him to give up the idea of a world fair?

[*Text*]

Mr. Pearson: No, Mr. Speaker.

TRANSPORT

POSSIBLE DIVERSION OF GRAIN HANDLING FACILITIES

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): I wish to direct a question to the Minister of Transport and ask him if the railways or other

grain handling facilities have begun to divert supplies or cease loading in view of the possibility of a strike tying up the seaway again.

Hon. G. J. McIlraith (Minister of Transport): As far as I know none of the grain handling facilities have stopped work for the reason mentioned. There may be difficulties on one or two of the ships, but I am not aware that they are grain ships.

RESOURCES

PROPOSED POOLING BY U.S. AND CANADA

On the orders of the day:

Mr. Donald MacInnis (Cape Breton South): Would the Prime Minister comment on certain statements by Mr. Udall which are receiving a great deal of publicity with reference to the pooling of Canadian and United States resources?

Some hon. Members: Order paper.

Mr. MacInnis: Would the Prime Minister comment on those statements?

Right Hon. L. B. Pearson (Prime Minister): No, not on the orders of the day. The policy of the government with regard to this matter was made known to the house some weeks ago by the Minister of Trade and Commerce.

Mr. MacInnis: A supplementary question—

Mr. Speaker: I would prefer that the hon. member pose a question rather than a supplementary, because I do not think a supplementary question could be founded on that answer.

Mr. MacInnis: Very well. I will direct a question to the Prime Minister. Does the right hon. gentleman not realize that this could be one of the most urgent and important questions before the government today, inasmuch as Mr. Udall on behalf of the United States is now proposing that Canada should pool its vast resources with those of the United States, which are depleted and not expected to last very long?

Mr. Pearson: I think I realize what is involved as well as the hon. gentleman does.

Mr. MacInnis: Then isn't it about time there was a statement on the subject?

COMBINES

REPORT OF COMMITTEE ON TIED SALES BY SERVICE STATIONS

On the orders of the day:

Mr. R. W. Prittie (Burnaby-Richmond): I gave notice of my intention to address the following question to the Minister of Justice. When can we expect some action from the interdepartmental committee studying the recommendations of the restrictive trade practices commission concerning the practice of tied sales imposed upon service stations by oil companies?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I am grateful to the hon member for notice of his question. The answer is that I am informed the committee does not expect to finish its work until about the end of this year.

PUBLIC WORKS

BEAUCEVILLE, QUE.—ARCHITECT FOR POST OFFICE BUILDING

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, I should like to direct my question to the Postmaster General, to whom I have given notice.

My question relates to the one bearing number 620, which appeared on the order paper and which has been answered.

What person or persons have been consulted for the choice of the architect responsible for the building of the Beauceville post office in the county of Beauce?

[*Text*]

Mr. Speaker: This is a question for the order paper. Is the house ready to go on with its business?

[*Translation*]

Mr. Perron: Mr. Speaker, I rise on a point of order. Two days ago I sent notice of my question to the Postmaster General.

[*Text*]

BUSINESS OF THE HOUSE

Mr. Pickersgill: Mr. Speaker, before the house goes back to the debate that was interrupted by unanimous consent, I should like to be sure there is an understanding in all parts of the house that if that debate should be concluded, we would then proceed to the orders of the day without a second question period.

Some hon. Members: Agreed.

Mr. Speaker: The house will now resume the debate on the motion of the hon. member for Hull for concurrence in the second report of the standing committee on privileges and elections.

PRIVILEGES AND ELECTIONS

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

The house resumed consideration of the motion of Mr. Caron for concurrence in the second report of the standing committee.

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I am very happy to have today the opportunity to express my views, as well as those of the population of the riding of Compton-Frontenac which I am proud to represent in this house, on the proceedings or rather the dilly-dallying of the committee on privileges and elections with regard to the final recognition in this chamber of the Ralliement des creditistes of the province of Quebec and of its leader, Mr. Real Caouette.

I will not make direct accusations against the members of the committee entrusted with the study of that matter.

Mr. Alexis Caron (Hull): Mr. Speaker, I rise on a point of order. In my opinion it is clearly established that a member does not have the right to read a speech in the house. I can see the hon. member is holding his speech with both hands and is reading one line after the other. Since that cannot be taken for lengthy notes, I ask that the rules be applied.

Mr. Raymond Langlois (Megantic): On the point of order, Mr. Speaker, you are the one who has been appointed to maintain order and discipline in this house and not the hon. member who just stood up to talk through his hat.

[*Text*]

Mr. Pickersgill: In so far as the point that has been raised is concerned, Mr. Speaker, there seems to be a disposition on the other side of the house to deny to members on this side of the house the right to raise points of order.

Some hon. Members: Oh, oh.

Mr. Pickersgill: I would suggest to Your Honour that even the members elected to support the government were also elected by the people of Canada, and that they should enjoy the same rights of freedom of speech in this house as members on the other side do. This business of taking exception constantly to any point of order raised from this side of the house is an infringement of the right of free speech of the elected members of parliament, and there should be equality given to both sides of the house in this matter.

[Mr. Speaker.]

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, right now the Secretary of State reminds us of a man who can see himself sinking.

If we refer to yesterday's *Hansard*, we find that the Liberals spent the whole evening raising points of order to interrupt those who were speaking on this side of the house. The Secretary of State rises on a question of privilege at the very moment the Liberals are attempting to deprive other members of their own rights and privileges. That is mere hypocrisy meant to conceal the facts of the matter.

[*Text*]

Mr. Pickersgill: I cannot allow that to pass—

Mr. Speaker: Would the Secretary of State please resume his seat? I think we have had enough discussion of this point. The hon. member was just beginning his speech, and obviously he wanted to refresh his memory. I suggest he continue.

Mr. Ricard: I should like to speak to the point of order. I cannot allow the observations made a while ago by the Secretary of State (Mr. Pickersgill) to pass without comment. He addressed himself to the opposition. If Your Honour has noticed, we have made no objection whatever, and I should like to point that out for the record.

Mr. Pickersgill: I am rising on a question of privilege. I said exception had been taken, I did not take any exception to any hon. member raising a point of order. I was defending an hon. member's right to raise a point of order. However, the hon. member for Megantic (Mr. Langlois) took exception to the hon. member for Hull (Mr. Caron) raising a point of order, and I say that was an infringement of the hon. member's freedom of speech. On four or five occasions in this house the hon. member for Cape Breton South (Mr. MacInnis) and other members of the official opposition have taken exception to my rising in my place and raising points of order. I have raised very few compared with the number that were raised by our predecessors on this side of the house, as the record will show. I have tried to exercise the utmost constraint and tolerance in the position I have taken.

Some hon. Members: Oh, oh.

Mr. Pickersgill: It seems to me that attacks of the character that have been made are insufferable, and should not be allowed to continue. Merely because there are certain members who do not seem—

Mr. Langlois: Order.

Mr. Pickersgill: I am speaking to a question of privilege, and surely I am going to be heard to the end of my question of privilege without interruption.

I do not think anyone could peruse my record in the ten years I have been in the house and find any occasion when I have ever sought to restrict the rights, under the rules, of any hon. member to speak. But I think I am entitled to permission to speak under the rules, in the same way as any other hon. member, without having constant interruptions and constant exception taken. I suggest, sir, that we observe the rules in this house, and when an hon. member raises a point of order we allow the Chair to decide whether or not there is a point of order, and not call into question the hon. member's right to raise it.

Mr. Pigeon: That will hurt you.

Mr. MacInnis: The Secretary of State has seen fit to draw the attention of the Chair to the fact that, on a number of occasions recently, I have raised points of order in respect of the Secretary of State. Once again I would call the attention of the Chair to the fact that he raised this particular point of order and then changed it to a question of privilege. He did so without recognition of the Chair. I should like also to call attention to the fact that a few moments ago, when the question period was finished, the Secretary of State rose without the consent of the Chair in order to tell what he thought was a funny joke. On that occasion Your Honour saw fit to ask him to return to his seat. The Chair has asked the Secretary of State once today to resume his seat, and only a few days ago on a similar point of order he was requested to return to his seat.

Now he has raised a point of order which he has changed to a question of privilege. Again, I state that no one in this house has violated Your Honour's rulings as often as the Secretary of State.

Mr. Speaker: Perhaps this is the time to give a short explanation of how I believe the Chair should act. It is this: Under our system of government and under the rules of the house, we recognize first of all the Prime Minister (Mr. Pearson), then the Leader of the Opposition (Mr. Diefenbaker), who has a very official position under our system; then members of the cabinet; then members of the front bench and I should, of course, include there the leaders of the various parties; then, from there we do the best we can.

Now, it is true that the Secretary of State (Mr. Pickersgill) carries that title, but he is also the house leader and of necessity must be on his feet more frequently than most members. He has to conduct the business of the house. He is responsible for a great deal of its planning. I am not aware, at least not consciously aware, of any time when he has broken any rule that I have tried to establish in this house. Every time he rose, and he must rise very frequently, I thought in order to save the time of the house I did not have to call, "The Hon. Secretary of State". I always catch his eye or he waits his turn. Hon. members will appreciate that custom dictates that the front benches are considered first, and are given an opportunity to speak first. Then, we gradually work back.

I think if that is understood hon. members, no matter where they sit, will realize they all are given a reasonable opportunity. In so far as I am concerned, I am elected by all of the members and not by a government, a party or a group. So far as I am concerned, all members are equal and have the same rights.

Mr. MacInnis: On that point, is this why the Chair—

Some hon. Members: Order, order.

Mr. MacInnis: Is this why the Chair—

Mr. Speaker: Kindly repeat your question; I cannot hear.

Mr. MacInnis: I assume, Mr. Speaker, that is recognition. Would the Chair indicate to the house why the Secretary of State last week was told to resume his seat when the Speaker agreed with me, and the remarks are recorded in *Hansard*, that the Secretary of State had been giving the Chair trouble.

In respect to the recognition of front benchers, the Leader of the Opposition and leaders of other parties, I would once again refer to the fact that nowhere in the rule book do I find that a backbencher is relegated to any inferior position in the house.

We of course recognize the necessity of ministers having the right to rise on these occasions, but not without recognition. The same applies to the leader of my own party, the Leader of the Opposition, and to the leader of any other party. Again I say that nowhere in the rule book do I find a backbencher is relegated to an inferior position. We all arrived in the house through the same means, by being elected by our constituents, and the Secretary of State is not mentioned for any preference in the rule book.

[*Translation*]

Mr. Latulippe: Mr. Speaker, I could give the same answer that was given before, in this house, by the hon. member who spoke before me, when he was accused of reading his speech. He answered that he would much rather read his speech than speak without

notes and lose the thread of his thoughts. That is, Mr. Speaker, what was once said in this house by the President of the Privy Council (Mr. Lamontagne). In my opinion, if you grant permission to the President of the Privy Council to read his speech in the house I think that, as a private member, I should benefit from the same leniency.

Mr. Caron: Mr. Speaker, I rise on a point of order. The member for Compton-Frontenac just admitted that he is reading his speech. He has even said that he had the same right as any other member, to do so. According to the rules of the house he does not have any such right. I understand that a member may have extensive notes but he has no right to read a prepared speech, likely written by someone else.

Mr. Gregoire: Mr. Speaker, I rise on a question of privilege. If the hon. member for Hull wishes to say that somebody else prepared the speech of the hon. member, he should say so and not make innuendoes. And if he is unable to prove his case, he will be told he is dishonest and makes untruthful innuendoes.

Mr. Caron: It was prepared by Gilles Gregoire.

Mr. Gregoire: I protest, and if the hon. member for Hull maintains that, he lies.

Mr. Deputy Speaker: May I suggest to the hon. members to allow the hon. member for Compton-Frontenac to resume his speech. I recognize with the hon. member for Hull that standing orders require that speeches be not read in the house. On the other hand, one has to admit that since the beginning of the session, several members on both sides of the house, of all parties or groups in the house, have, on different occasions, read their speeches.

Representations have been made in that respect and the Chair reminded each member that standing orders must be followed. However, in the present circumstances, in the discussion of this measure, I would suggest to the hon. member not to forget that rule and to abide by it; but if he has notes before him, he may use them to refresh his memory, instead of just reading them.

Mr. Caron: I do respect your opinion, Mr. Speaker, but when you prevented other members from reading their speeches, these members pretended they were reading extensive notes, whereas, the hon. member states he is entitled to read his speech because other members have done it before. Consequently, he puts himself in the class of those who have no right to read their speeches.

Mr. Gregoire: On the point of order, Mr. Speaker. I wish the hon. member for Hull had adhered to the rule as chairman of the committee on privileges and elections.

Mr. Caron: I shall not allow the hon. member to say anything about the committee on privileges and elections. If I prevented the hon. member from speaking, it was to give other members a chance. He wanted to have the floor all the time, and I did not allow it.

Mr. Deputy Speaker: May I ask the hon. member for Hull and the hon. member for Lapointe to co-operate so that we may at least give the hon. member for Compton-Frontenac a chance to get started.

I admit that, judging from the way he started his speech, he seemed about to read a text. But now he has not the floor and did not have the opportunity of continuing his remarks. It may be that, when making his speech, he will observe standing orders, and be satisfied with consulting his notes.

Mr. Latulippe: Mr. Speaker, just for your information, if I said that others had read out their speeches, it was simply to give an example. Others read their speeches long before I did. I just wished to give an instance, but I never said that I wanted to read my speech—

Mr. Deputy Speaker: I would prefer the discussion to end at this point. I have given my ruling in this matter, and I would ask the hon. member to go on with his speech.

Mr. Latulippe: Thank you, Mr. Speaker. I just read the Canada Elections Act, in the Revised Statutes of Canada, chapter 23, and I could not but carefully revise my own status as member of parliament.

Having fulfilled all the conditions required of the candidates, having been elected twice as member of the House of Commons of Canada for my constituency, I represent here people who have made their choice, taken a definite step and delegated to me powers of representation which they alone may revoke.

I was elected member for Compton-Frontenac after having run as candidate for the creditiste party of the Ralliement des creditistes of the province of Quebec, which recognizes as its leader the hon. member for Villeneuve (Mr. Caouette), a fact which was confirmed at a party convention held in Granby.

Delegates from my riding were present at that convention. They were there to represent the opinion of the people of my constituency, and failure to recognize this as an actual fact would be tantamount to betraying the confidence placed in me.

There is no provision which prohibits members of parliament from forming a political party between elections. The interpretation of their mandate is left to their discretion

and only the voters can disapprove of the decisions made by a member at the next election.

Apart from being incomprehensible, the decision made by the committee on privileges and elections is unfair not only to our group by denying us, in the person of our chosen leader, the right of representation on several levels, but also to the thousands of voters whom we represent here.

That is why, as member for the constituency of Compton-Frontenac, as representative of the people who elected the member of their choice to Ottawa, I am asking for the immediate recognition of our group, as well as the recognition of our leader as party leader in this house, with all the privileges implied, and also our recognition as third opposition group, since our group is larger than the one headed by the hon. member for Red Deer (Mr. Thompson).

Another basic question connected with the recognition of our group is the fact that we represent almost exclusively some French Canadian citizens of the province of Quebec and it is a slight to the ethnic character of those citizens to refuse to give it complete and total representation in this house.

If the President of the Privy Council (Mr. Lamontagne) is really convinced that Canada will survive to its centennial, he should take immediately the necessary steps. He should insist that the French Canadian people who chose some representatives may be heard through their representatives, with all the rights and privileges which are due to them.

If the efforts which are made in the field of bilingualism and biculturalism can be judged on the basis of the representation which is denied us, then they will only become the shameful cover-up of a grand constitutional mockery.

Let us do away with red tape and let us have action. The patience of a people also has its limits and, as a representative of a large portion of French Canadian people, I can assure the house that the time has now come for decisions and that compromise would only pave the way for the burial of a confederation of which we would have been the grave-diggers. The very fate of that confederation, gentlemen, today lies in your hands.

Mr. Speaker, I want to congratulate and to thank the Leader of the Opposition (Mr. Diefenbaker) and all those members who contributed to this debate and who treated us with fairness.

I wish to thank all those who showed some fairness and who made it a point to insist that we be recognized.

The Leader of the Opposition explained the situation and he gave us recognition. He declared to the Canadian people that he was ready to fight to the bitter end to ensure in this house the recognition of the rights and prerogatives of the French Canadians and of the English speaking Canadians, in a word of the whole Canadian people.

Mr. Speaker, we are not fighting only for the French Canadians but also for the unhyphenated Canadians. We have a right to be recognized in this house.

We are contributing to the passage of legislation. We have been elected as any other member in this house and we are entitled to claim our rights. This is what we are doing now. We are asking for our due rights and prerogatives with all the strength we can muster.

Mr. Speaker, I believe that it was within your province to do us justice. I am of the opinion that the committee on privileges and elections which was created to examine the rights of a political party had no business asking on our behalf the rights we have been asking for ourselves. And I say that it is our duty, that it is the duty of the members of our party to ask for their due, to take their rightful place in this house.

We want security, yes. But in addition to that security, we also want freedom. We are free from any political affiliation. We have been elected directly by the people and we are directly responsible to the electors of our ridings and to those of the province of Quebec.

Once again I thank all those who have helped us to establish if such a political party had the right to sit or not or to occupy such and such a place in the house.

The matter was first put to the Chair, who decided to refer it to a committee, and the members of the said committee rendered a verdict that is unacceptable.

Consequently, we resort to other solutions.

I also wish to draw the attention of the house to some remarks made by the Leader of the Opposition. In fact, as reported on page 3672 of *Hansard* for October 17, 1963, he stated:

> The determination as to whether there is a party is one that is dependant on a number of members uniting in support of a group of principles. That being so, then the method by which the party is formed is of no consequence to parliament. If they want to fight among themselves as to whether the hon. member for Red Deer (Mr. Thompson) or the hon. member for Villeneuve (Mr. Caouette)—sitting together there in amity—should be leader, then that is a matter for themselves.

Consequently, Mr. Speaker, I move, seconded by the hon. member for Shefford

(Mr. Rondeau), that the following words be added to clause 3:

The house recognizes that according to the most elementary principles of decency it is not up to the other political parties to decide which one of the two Social Credit groups constitutes the Social Credit party, and would leave it to the Social Credit members themselves to decide on this question by a majority vote taken among the 23 Social Credit members.

Mr. Deputy Speaker: Order. I have glanced quickly at the amendment that the hon. member for Compton-Frontenac has just proposed, and in my opinion it tends to amend the report of the committee rather than the motion now before the house.

And on that matter, I suggest that the hon. member refer to the second paragraph of citation 323 of Beauchesne, fourth edition, which reads as follows:

[*Text*]

A report from a committee cannot be amended by the house, but it must be referred back to the committee.

[*Translation*]

That is, a report from a committee cannot be amended by the house but it must be referred back to the committee.

Consequently, I must declare that the amendment of the hon. member for Compton-Frontenac is against the rules.

Mr. Gilles Gregoire (Lapointe): Mr. Speaker—

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I had not intended to take part in the debate and I do not intend to do more now than just say a very few words. I would like to draw hon. members' attention to the report to which the hon. member for Winnipeg North Centre (Mr. Knowles) took exception, and particularly to three parts of it:

1. That the New Democratic party occupy the seats next to the official opposition on the left side of the Speaker.

2. That the members of the Social Credit party occupy the seats next to the New Democratic party on the left side of the Speaker.

3. That the members of the group—

And I emphasize that word:

—under the leadership of Mr. Caouette occupy the seats on the left of the Social Credit party.

As I have nothing in particular to say about the fourth part of the report I will not even read it.

I think we have lost sight of the fact that all this report does is to recommend that certain provisions—

Mr. Gregoire: Mr. Speaker, on a point of order, I should like to know whether the Secretary of State (Mr. Pickersgill) is now speaking on the question whether or not the amendment is in order, because we want to speak on this point and make the necessary change to put the amendment in order according to the regulations.

[*Translation*]

Mr. Deputy Speaker: Order. Surely the hon. member understands that the Chair has already made a ruling and that once a decision is taken no further discussion is allowed.

[*Text*]

Mr. Pickersgill: I am exercising my rights —and I believe I have the floor—to speak on the motion made by the hon. member for Hull (Mr. Caron), and I was recognized by the Chair. I am now in the course of making my speech, which will be very brief.

It seems to me we ought to realize just what we are being asked to decide. We are being asked to decide, if we accept this report, that the New Democratic party will be moved up to the benches occupied by the Social Credit party at the beginning of this session of parliament; that next to them will be put the Social Credit party under the leadership of the man who was recognized as its leader when this house was constituted after the election. We are also being asked to recognize that a new group be seated next to them. I will not attempt to describe this group by name because, as I understand the proceedings of the committee, two versions of its name were given by two different members of the group; the leader gave one name and the hon. member for Lapointe (Mr. Gregoire) gave another name. Surely, if the two of them could not agree between themselves it was not up to the committee to decide which name to give them.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I rise on a question of privilege. An explanation has already been supplied before the privileges and elections committee concerning the interpretation to be given to both letters. We are convinced that there is no contradiction between them.

Mr. Deputy Speaker: Order.

Mr. Gregoire: Mr. Speaker, this is my question of privilege—

Mr. Deputy Speaker: Fine.

Mr. Gregoire: If hon. members wish to quote some of our letters, we would like them to do it in the spirit in which the letters were written and not otherwise. My question of privilege is that the record should be set straight.

Mr. Deputy Speaker: Order. This is not a question of privilege but a debate. An hon. member may raise such an argument but it

does not truly constitute a question of privilege.

[*Text*]

Mr. Pickersgill: The only point I was seeking to make was that the committee recognized that there was a group in this house—it said so in its first words—under the leadership of the hon. member for Villeneuve (Mr. Caouette), and it recommended that that group—it was described as a group and as having a leader—should be given a certain seating in the house. That is all we are being asked to do.

The hon. member for Winnipeg North Centre (Mr. Knowles) has said that the numerical principle should be applied to the seating of groups. Other hon. members have said that the historical principle, which the hon. member for Winnipeg North Centre admitted on many occasions he had argued in favour of, and as recently as last year, should be applied. I believe that any hon. member can conscientiously take either view. I happen to take the view that the historical principle should be applied. I think it should have been applied in the last parliament and I think it should have been applied in this parliament, as it was applied in the parliaments of 1935 and 1940 and up until the departure made in 1962. But I do not deny to any other hon. member equal freedom to take the opposite point of view if he prefers to take it.

For my part, I think that if we are going to have recognition of a number of groups in the house some principle has to be applied, and I think the principle of seniority, which had worked in this house ever since 1921 up until 1962, at which time it was regrettably departed from, is a very good principle to apply. I do not think the good faith of anyone who argues for it should be questioned, any more than the good faith of anyone who thinks the numbers principle should be applied.

I think we should get back to sanity in this matter and realize that these are both valid principles, and that one applied from 1921 until 1962, a period of over 40 years, during which time we had more than two parties in every house, and since 1935, except for the parliament of 1958, we had four parties. I think in the parliament of 1935 in the C.C.F. there were eight members, one of whom seceded, leaving only seven, and either 15 or 17, I forget which, in the Social Credit party. That was in 1935. Yet the C.C.F. had seniority over the other group as I remember when I first came to view this parliament. That was the principle applied up until 1962. It was not the principle applied in the last parliament and it was not the principle at the beginning of this parliament; and I think that was too bad. But the committee has seen fit to recommend that we go back to that principle. I think it is a good principle. The principle we are following now obviously does not work, which is why we have this problem. This numbers game, if I may put it that way, has obviously not worked.

Having said that, Mr. Speaker, it is also apparent to me that the hour is 20 minutes past four; that under the rules we have to go to private members' business at five o'clock; and that I gave an undertaking to the house, when I made the motion yesterday to extend the hours, that hon. members would know that on Friday evenings the house would be asked to take estimates, and the estimates prescribed for today are the estimates of the Department of Public Works. It is quite evident that the house is not yet ready to make a decision on this question and that it is not going to be possible in the very limited time left to us today to reach a conclusion. I believe it would be to the benefit of all of us to reflect, and reflect seriously, on this question, over the week end, and on the appearance we are giving to parliament by our debate on the matter; and for that reason I move, seconded by the hon. member for Ottawa West (Mr. McIlraith):

That the debate do now adjourn.

Mr. Gregoire: Closure.

Mr. Pickersgill: It is not closure at all.

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

Some hon. Members: No.

Mr. Deputy Speaker: Those in favour please say yea.

Some hon. Members: Yea.

Mr. Deputy Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

Mr. Deputy Speaker: In my opinion the yeas have it.

And more than five members having risen:

Mr. Deputy Speaker: Call in the members.

The house divided on the motion (Mr. Pickersgill) which was agreed to on the following division:

YEAS

Messrs:

Addison	Byrne
Armstrong	Caron
Badanai	Carter
Basford	Cashin
Batten	Chevrier
Bechard	Choquette
Benidickson	Chretien
Benson	Côté (Chicoutimi)
Berger	Côté (Longueuil)
Blouin	Cowan
Boulanger	Crossman
Brown	Cyr

Division

Deachman	Loiselle
Denis	Macdonald
Deschatelets	MacEachen
Drury	MacNaught
Dube	McIlraith
Dupuis	McMillan
Ethier	McNulty
Forgie	McWilliam
Francis	Marcoux
Garland	Mitchell
Gelber	Moreau
Gendron	Morison
Girouard	Mullally
Gordon	Munro
Granger	Nicholson
Gray	O'Keefe
Greene	Olson
Groos	Pearson
Guay	Pepin
Habel	Pickersgill
Haidasz	Pilon
Hahn	Richard
Hays	Rideout
Honey	Rinfret
Jewett, Miss	Rochon
Kelly	Ryan
Klein	Tardif
Lachance	Thompson
Laing	Tremblay
LaMarsh, Miss	Tucker
Lamontagne	Turner
Lamoureux	Wahn
Laniel	Walker
Laverdiere	Watson (Chateauguay-Huntingdon-Laprairie)
Leboe	Whelan—96.
Leduc	
Lessard (Lake St. John)	

NAYS

Messrs:

Balcer	MacRae
Barnett	McBain
Beaule	Madill
Boutin	Mandziuk
Brewin	Monteith
Cantelon	Muir (Cape Breton North and Victoria)
Casselman, Mrs.	Muir (Lisgar)
Churchill	Nasserden
Clancy	Nesbitt
Coates	Nielsen
Crouse	Noble
Danforth	Nowlan
Diefenbaker	Nugent
Dinsdale	Orlikow
Doucett	Pascoe
Douglas	Paul
Fane	Perron
Fisher	Peters
Fleming (Okanagan-Revelstoke)	Pigeon
Forbes	Plourde
Gregoire	Prittie
Gundlock	Rapp
Harkness	Rheaume
Herridge	Ricard
Horner (Acadia)	Rondeau
Horner (The Battlefords)	Scott
Howard	Slogan
Kindt	Southam
Knowles	Stefanson
Lambert	Stenson
Langlois	Valade
Laprise	Vincent
Latulippe	Webb
Loney	Webster
MacInnis	Willoughby
MacLean (Queens)	Winch
Macquarrie	Winkler—74.

[Mr. Deputy Speaker.]

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I was paired with the Minister of Citizenship and Immigration.

Had I voted, I would have voted against the motion.

[*Text*]

Mr. Rouleau: I was paired. Had I voted I would have voted for the motion.

Mr. Roxburgh: I was paired. Had I voted I would have voted for the motion.

Mr. Pennell: I was paired, and I would have voted in support of the motion.

Mr. Cardiff: I was paired. Had I voted, I would have voted against the motion.

Mr. Stewart: I was paired. Had I voted, I would have voted in favour of the motion.

HOUSE OF COMMONS

APPOINTMENT OF COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

Right Hon. L. B. Pearson (for the Secretary of State) moved:

That a select committee be appointed to consider with Mr. Speaker the procedures and organization of this house, for the purpose of suggesting any changes that would assure the more expeditious dispatch of public business and would strengthen parliament and make it more effective; that the committee have power to send for persons and papers; that it report from time to time its findings and recommendations to the house; and that it consist, in addition to Mr. Speaker, of 14 members to be designated at a later date.

He said: Mr. Speaker, the house having decided to suspend for the time being the debate on the matter which has been before it for so many hours, this gives me the opportunity and the honour of moving a motion which stands in the name of the Secretary of State (Mr. Pickersgill), the importance and urgency of which has been attested to by the leaders of other parties in this house.

This resolution, in itself, and in its substance, is not important unless it were rejected. The importance of it is that it makes possible the establishment of a committee which could be one of the most important committees that has been set up by this house for a long time. It makes possible the establishment of this committee at a time when we are very conscious of the need to change our rules and procedures to make possible the more effective dispatch of the business of this house. I am sure, Mr. Speaker, that all hon. members of the house are interested in achieving that objective, subject of course to the preservation of the rights and privileges of individual members and the legitimate traditions of the house.

This committee will examine how to make parliament operate more effectively to deal

with the many, and complicated, and new matters which now customarily come before parliament. The Leader of the Opposition in his intervention yesterday answered certain critics of parliamentary procedure and parliamentary activities, and I agree with him that some of this criticism of the institution of parliament has been unreasonable. Some of it has not taken into account, not only the practices and customs of the past but the real difficulties of the present, in adjusting our parliamentary procedures to the many new and complicated problems that arise.

We hear a great deal of criticism on all sides, both inside and outside the house, of the manners and the methods of parliament; but as the right hon. gentleman did the other day, it is well to recall history on this matter so that we may retain that sense of perspective and proportion which is useful in considering matters of this kind. Even in the mother of parliaments—and I think this was referred to the other day—there have been many examples of filibustering, obstruction and even violent scenes.

One does not have to go too far back, to the days of the Irish nationalists, when the business of the house was held up day after day and when scenes were so wild as to make our scenes, when we have them in the House of Commons, seem pretty mild by comparison. Those of us who have studied and are interested in British parliamentary history are reminded how Mr. Disraeli once felt comforted because there was between himself and the other party the clerk's table, which he referred to as that substantial piece of furniture. We have not needed that in this house, at least in my memory.

Distant pastures and distant parliaments in time and in space always look greener and better. It is similar in this House of Commons, yet anyone with a knowledge of parliamentary history—and the right hon. gentleman referred to this yesterday—and looks back even 50 years ago, will be reminded about the violence of debate at that time, the total obstruction day after day of measures brought in for approval, and of constant challenges. There were the same charges of time wasting which take place even today.

A sense of perspective is good and useful; but that does not mean that we have not very serious problems before the house in the organization and operation of parliamentary business and parliamentary procedures. Furthermore there is a very great difference between now and 50 years ago in the house, a difference which arises out of the nature and the scope of our activities today.

We have infinitely more to do today than they had 50 years ago, and our sessions are now almost continuous throughout the year. It was not so many generations ago when the problem of a prime minister and government of the day was finding enough legislation to keep parliament in session at least two months. There are more decisions to be made now, and these decisions involve more continuous responsibility on parliament, on the opposition and the government, than was the case some years ago.

Therefore the need for efficient procedures and the effective discharge of business with a minimum of delay is much greater now than it was in the days about which I have been talking, and the penalty today for inefficiency is much greater than it used to be in those days. In addition the danger to the public welfare, if we do not order our proceedings effectively, is much greater than it used to be. Perhaps that is the reason that public opinion is much less tolerant than it was 50 years ago of the foibles and weaknesses of parliament, and of the House of Commons in particular.

The consequences of our inaction or wrong action today are very immediate and direct, and far greater on our people because of the greater impact of what we do, due to the necessarily increased intervention of parliament and the government in the life and affairs of average people.

This has been recognized during the last 10 or 15 years, particularly in the House of Commons, and we have made progress in those areas in improving our procedures. We have gone some distance in the last few years in limiting debate, in limiting the time that can be used for the budget debate and for the address in reply to the speech from the throne. We have cut out a good many of the frills, and this has meant an improvement. These changes were made by agreement among all parties, and were mostly made through a committee set up by the house. I might add that in the deliberations of that committee party considerations did not loom as large as they sometimes do in the house. But, Mr. Speaker, there is a great deal more to be done. It seems to me we have just touched the surface in the changes required to make our deliberative assembly more effective.

We have to make some more fundamental changes than have been possible in the past, and it is essential at the same time to maintain the traditions and customs of the house, and the rights of individual members, particularly of individual members in the opposition. I think we can reconcile these two things and I hope this committee will be in a

position to make recommendations to that end.

One of the things to which I hope the committee will give active consideration, is how we can make the committees system of the house operate more effectively. This is something we have all talked about in recent years, and the right hon. gentleman had very important plans to that effect from 1957 onwards. I know an effort was made, but I am sure he will agree it was not as successful as he would have hoped. This is no reflection on the attempt that was made; but surely it is now important to treat this problem as one of the most serious problems of parliament—the more effective discharge of work through committees in a way that will give the committees authority and power to make decisions, and when the decisions are referred to the House of Commons we will not have to go through the same debate over and over again that has taken place in the committees.

Mr. Speaker, may I call it five o'clock?

Mr. Speaker: It being five o'clock the house will now proceed to the consideration of private members' business, namely public bills and private bills.

INDUSTRIAL RELATIONS

PROVISION OF MINIMUM RATE OF WAGES FOR EMPLOYEES

Mr. Stanley Knowles (Winnipeg North Centre) moved the second reading of Bill No. C-28, to provide for minimum wages for employees in federal works, undertakings, and businesses.

He said: Mr. Speaker, the purpose of this bill is to provide for legislation in the federal labour field which is supported by all the parties in this House of Commons. The proposal is that we should have federal legislation providing for a minimum wage. As hon. members are aware, labour matters come partly under provincial jurisdiction and partly under federal jurisdiction, and therefore this bill would provide for a minimum wage only with respect to those employees who come under federal labour jurisdiction. The proposal in my bill is that a minimum wage at the federal level be set at $1.25 an hour. The bill, of course, makes it clear that it would not affect the rate of wages of any employees who already enjoy a higher rate of wages; but if this bill passed and became law it would provide that no one under federal labour jurisdiction could be employed at a rate of less than $1.25 an hour.

Mr. Speaker, minimum wage legislation in the various provinces of Canada is by no means uniform. It varies from province to province as to the extent of its coverage; it varies from province to province, and from area to area within some provinces, as to the amount that is set as a minimum wage. We feel that the time has come to do two things by legislation of this kind; first of all to provide a minimum wage at the federal level, and second to give a lead to the provinces. It should be stated quite clearly that in the provincial labour field the provinces are autonomous, but it is the view of some of us that if in this area we had good legislation in the federal labour field, it would give a lead to the provinces to make their legislation better than it now is.

The kinds of improvements that are needed in the provinces are such as would extend the coverage to all workers, both male and female, in all areas of our provinces, and also raise the amount of the minimum wage. However, it is not our function here to deal with provincial legislation. I mention those improvements in connection with my suggestion that one of the purposes of federal legislation in this field is to give a lead to the provinces as well.

I said in my opening words that the purpose of this bill is to provide legislation in our federal statute books which is supported by all the parties in this House of Commons. I need not name them all; that list, of course, is growing these days. But I wish to refer in particular to the party that is now in power, the Liberal party. It supports minimum wage legislation, as it supports other legislation in the labour field. In the last parliament, when the Liberals sat in opposition, they readily supported all the labour bills that some of us brought forth. In this parliament they sit on the government side and so they sing a slightly different tune.

An hon. Member: No, we don't.

Mr. Knowles: An hon. member over there says "We don't". I would refer hon. members on that side of the house to the debate, for example that is recorded in *Hansard* of May 30. They will find that what I have said is correct. They argue, of course, that they still believe in those things in which they believed when they supported our bills when sitting on the opposition side of the house, but that what they want is the opportunity to bring these things in themselves. I do not deny them that opportunity; I only wish they would avail themselves of the opportunity, now they are on the government side of the house.

On May 30 of this year when we were debating another bill of mine in the labour field, Bill No. C-2, which provided for statutory holidays with pay, when I pointed out to Liberal members that they had supported

this bill in the previous parliament and were now talking it out, the answer was that it was their intention as Liberals to bring in a national labour code, a comprehensive measure that would include all these things. So I was asked to be patient and to wait until later in the session, when a national labour code would be brought in and the Liberals would provide a charter for labour in terms of statutory holidays with pay, adequate annual vacations, minimum wages, maximum hours of work, and all the things that can be part of a national labour code. I was asked to wait, Mr. Speaker. That was on May 30.

Four and a half months have gone by since then. If the Liberals want to think of it in terms of a number of days, that is 135 days, more than twice the number of days the Liberals needed to get things rolling. But not one suggestion has come from the other side of the house that there is in sight a national labour code or any of the elements of such a labour code which the Liberals promised when they were in opposition, when they were on the hustings and even since they came into this house as the government of Canada. Therefore it seems to me that once again we have to call upon the government of the day and its supporters to take the position, now that they are in power, that they took when they were in opposition. If they then believed in things like this, in a national minimum wage of at least $1.25 an hour, I suggest they should show their support for such a proposal when it is brought before them at this time.

We have had an interesting experience with private members' resolutions and bills in this session. At first they were treated according to the pattern of former years; they were all talked out. Then there seemed to be a little revolution amongst some of the backbenchers on the Liberal side. They did not like having to talk out bills that last year they supported, and as a result of that a bit of a reform took place. Some measures, instead of being talked out, were debated for an hour and then their subject matter was sent to whatever was the appropriate committee. While that is not as satisfactory as passing a piece of legislation and sending a bill itself to a committee, it certainly is better than treating an important piece of legislation to the talking out process.

I hope that today hon. members will not again ask us to wait for this national labour code, since we have already waited four and a half months, since the hon. member for Essex West (Mr. Gray) and the parliamentary secretary to the Minister of Labour, the hon. member for Kootenay East (Mr. Byrne), promised us that these things were coming. I hope that instead they will do either one of two things, support this bill on second reading, whereupon it would be referred to the committee on industrial relations for study as to its detail, or at least give it that better-than-talking-out procedure, that of having its subject matter referred to that same committee, the committee on industrial relations.

I say again, Mr. Speaker, that there is no need in this house, made up of the various parties that are here, to argue the merits of a minimum wage bill; that we ought to have this kind of legislation; that we ought to have it at the federal level, and that the rate of wages in any minimum wage bill should be not less than $1.25 an hour. I suggest that since we all agree to this proposition we give this measure that is now before us the best treatment that it can be given in the time at our disposal. If the house, as I think it should, sees fit to agree to second reading, I give the undertaking that I would not then try to move it into committee of the whole, but I would move that it be referred to the committee on industrial relations for study clause by clause, in all its detail.

If that is not possible, I hope at least that the bill will not be talked out but rather that the subject matter will be sent to that same committee. There, along with other bills which have been referred, it can be studied, so that we can make some progress toward getting the national labour code which the Liberals promised in the election campaign, which they promised on the floor of this house, but any sight of which we have yet to see. Because we all believe in the principle of this bill, I suggest that it should receive the support of the house in this private members' hour.

[*Translation*]

Mr. Alexis Caron (Hull): Mr. Speaker, I listened with great deal of pleasure and attention to the comments just made by the hon. member for Winnipeg North Centre (Mr. Knowles) concerning Bill C-28, which is meant to provide minimum wages of $1.25 per hour throughout the country.

No doubt that the bill is of some value and deserved to be introduced to prepare public opinion.

It must be borne in mind, however, that our country is quite large and that, from one ocean to the other, interests are many and varied.

The situation in Newfoundland may not be compared with that in Vancouver. The two areas are so different. The climate is different and so are working conditions. That is why it is rather difficult to set certain working conditions to be uniformly applied to all the various parts of the country.

However, I believe that a minimum must necessarily be established. In fact, I think that

we must pay particular attention to the condition of the workers in the whole country.

But to say that it must be, everywhere in the country $1.25 an hour, would be to impose a limitation on the salary in some places where it is already above $1.25 an hour and in fact to increase it tremendously in some other places where it is very low, as, for example, where it is only $1 an hour.

It would be difficult, therefore to accept, on a total and permanent basis, the purpose of the bill introduced by the hon. member for Winnipeg North Centre. We know that the object of the bill which he presents to the house is much too serious to be considered lightly. By that I do not mean that the sponsor of the bill did not consider it in detail. He probably did so extensively. The number of sections in the bill shows it. It is easy to see that he worked seriously at it.

But I wonder if all the members have had time to study it carefully, in view of the amount of work they have been called upon to do since the beginning of the session. The hon. member for Winnipeg North Centre has just suggested that it be referred to a committee to be considered in detail.

On the other hand, I know that at the present time the Minister of Labour (Mr. MacEachen) is studying a labour code. And, as the hon. member for Winnipeg North Centre put it so well, such a study cannot be made hastily; the problems the government has faced since then have been such that we had to put it aside in order to consider more urgent matters.

We recently had before us a resolution and a bill to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees, and every member studied them extensively and every one freely expressed his opinion in the house, so that we are aware of their opinion on that matter.

Since the beginning of the session, we had before us legislative measures requiring the continuous and constant attention of the house. This is the reason why we did not have time to study properly the labour code. But I know that the Minister of Labour is now dealing with a complete consolidation of all acts on labour and their relation with the federal field. This is likely to encourage the provinces to adopt a similar labour code.

For instance, I know that in the province of Quebec only, there is a great difference between wages paid in Hull, in Montreal, in Quebec and in the Gaspe peninsula, because of different conditions prevailing in each of these areas.

The various governments of the province of Quebec, at all times, have often been blamed for not paying their workmen enough. That is due to the fact that the province should have been divided into areas where salaries could be different and according to the cost of living in each area. I often claimed that when I was a member of the Quebec legislature in 1935-36 and in 1939-45; I always contended that dividing the province into areas would have enabled us to establish salaries according to the circumstances and labour conditions prevailing in each of those areas. But they never paid much attention to me. Today generally salaries are being increased. The federal government did not wait for us to do so, and a complete study is now under way; I do not know how far it will go, but I hope that it will be in the right direction.

The same conditions prevail in the province of Ontario, in the prairie provinces, in the maritimes, and also in the province of British Columbia.

The various parts of Canada are altogether different. The cost of living index is not the same everywhere. We have to consider the index for each part of the country.

I say that it would be a monumental mistake to pass this bill right now and provide for minimum wage of $1.25 throughout Canada, as it would result in a reduction in many localities where salaries are higher and an increase where they are sufficient.

That is why I suggest that this matter should be examined more sensibly and more thoroughly. At any rate, I feel that during the hour we have at our disposal, it would be impossible to examine this bill in a way that would enable us to understand it. I think it would be wise to wait until the Minister of Labour has prepared and submitted to us his labour code. Then, if hon. members are not satisfied with his resolution on the labour code, they could criticize it to their heart's content, and even oppose it, and we shall be in a position to give them the proper answers at that time. We will at least have had the chance to study a comprehensive scheme applicable throughout the country and taking into account different circumstances in any part of the country, an organization which could guide us in some way to attain a certain end. That is why I suggest that the bill introduced by the hon. member for Winnipeg North Centre is ill-timed. It has perhaps been prepared in a hurry. The hon. member may have studied it, but we do not feel that we have had enough time to read it, examine it and understand it fully.

For those reasons, I believe we should vote it down. On the other hand, I know that some hon. members on this side of the house do not share my views, and I realize

also that other members, on the other side of the house do not share them either. I also believe that this matter is bound to be very actively discussed. That is why I do not want to take too much time, because I would like other hon. members to have a chance to express their views.

I therefore say to the hon. member for Winnipeg North Centre that I do not wish to accept his bill today, because I think it is premature and that it was too hastily introduced. I think he should give the Minister of Labour a chance to produce his labour code, and then, he may criticize it and perhaps submit certain things provided in this legislation, in the form of amendments. Then, we may all agree and accept it or reject it.

That is what I am asking today, and I hope that those who will rise after me will probably share my views.

Hon. Theogene Ricard (St. Hyacinthe-Bagot): Mr. Speaker, I shall not delay hon. members too long, but I would like to make a few remarks in connection with the legislation now before us.

First of all, may I commend the hon. member for Winnipeg North Centre (Mr. Knowles) for renewing, in each session, his attempts to move a similar bill. This proves his interest for the working class. It is certainly in a spirit of fairness that he wants to see the workers' salaries under federal jurisdiction, generally increased to $1.25 an hour.

Nowadays, Mr. Speaker, it is obvious that a salary of $1.25 is certainly not excessive. I should also tell the hon. member for Hull (Mr. Caron), who preceded me, that I do not quite understand how he can maintain that this bill would, in certain places, bring existing salaries down to $1.25 an hour. I think that the legislation before us covers the case, when it provides that the lowest salary rate should be $1.25. This means, of course, that any salary higher than $1.25, may stay at that higher level.

I cannot agree with the remarks of my hon. friend for Hull (Mr. Caron). In previous years, he has been greatly concerned with improving the workers' lot and he should therefore be congratulated; but I believe that to postpone such a bill from one session to another is only to delude ourselves.

There is also the question of labour unions which should not be forgotten, and this is why, even if I support the allegations of the hon. member for Winnipeg North Centre (Mr. Knowles) to the effect that it is commendable to increase as much as possible salaries of workers and employees coming under the federal government, I still believe that we should not ignore the influence and authority of labour unions in such a matter.

For all these reasons, Mr. Speaker, I believe that it would be profitable to study this bill in the house, as I am convinced that it would be useful to hear the opinions of members before forming an opinion that would really be in the best interest of the workers.

I do not wish to prevent other members from speaking on this bill and this is why I maintain that we should grant it our fullest consideration, because it is of great interest for the working class in our society.

[*Text*]

Mr. Richard Cashin (St. John's West): I, too, would like to take this opportunity of making a few comments on the subject matter of the bill now before the house. As has been stated, this is not a new bill. This is not the first time a measure of this kind has been before the house. Certainly, it is my opinion that comprehensive legislation in this field is overdue in Canada. This becomes obvious when one considers the practices followed in some of the other more highly developed countries of the world.

As hon. members know, I do not speak for the government, nor could I be expected to do so, but I feel confident that this question is under study and that it will not be very long before we see brought forward the type of comprehensive legislation which is so badly needed in this field. As to the bill now before us dealing with minimum wages, I believe it concerns itself with only one aspect of a much wider problem; it seems to me that it would be best to deal with this whole subject comprehensively and at one time. Although there is one act on the statute books of this country pertaining to this subject, the federal government is in fact behind the provinces in the enactment of legislation such as we have before us now.

I am sure there is nothing new which any of us can say in support of a bill of this sort. I believe there are many who feel this situation should have been taken care of earlier by the government many years ago, and we hope it will be taken care of in the near future.

Mr. MacInnis: Would the hon. member permit a question? He has told us that this is only part of a wider problem. Would he indicate what else in his opinion should be tied in with the proposal before us?

Mr. Cashin: I am glad the hon. member for Cape Breton South has asked me that question. I am sorry if he has had any difficulty in following my remarks. The other

subjects I thought should be dealt with include hours of work and holidays with pay. These are related to the question before the house.

Mr. MacInnis: Would the hon. member permit a further question? Would he put his notes aside and enlighten the house as to his knowledge of the particular subject before us. It is against the rules to present an argument from a prepared text.

Mr. Cashin: The hon. member for Cape Breton South has sat here for longer than I have and I am always glad to learn, if possible, from a member with longer experience. It is true I have some notes before me, but it has never been my practice in the house to read from a prepared text, nor am I doing so now. The hon. member for Cape Breton South may himself have to resort to a practice of that sort and therefore he presumes I am doing so. That is not the case.

One of the advantages of legislation along the lines suggested would be the placing of additional purchasing power in the hands of those who belong to the lower income groups. This would be a most admirable result. There are, perhaps, those who feel that a minimum wage of $1.25 across Canada might bring about inequities, inasmuch as it is difficult to ascertain whether the effect of $1.25 in one area is the same as in another area. There are some who, for this reason, might prefer to see a lower figure established. They might think, for instance, that $1.10 would be a better figure. I do not agree. We have to arrive at some figure, and I think the figure of $1.25 is a good one. Of course, I have no way of knowing accurately the extra cost which would be involved in making it $1.25 as opposed to $1.10, but from a source which I believe can be regarded as reasonably reliable I learn that if the figure of $1.10 were adopted, some 20,000 to 23,000 people employed in crown corporations and the like would be affected, and that the extra cost involved would be of the order of $6 million. On the other hand, if $1.25 were the figure adopted a far broader group of crown employees would be affected and the extra money involved would be about $17 million. There is a good deal of difference between those two figures. Nevertheless, I think that since legislation of this sort is overdue it would be unwise to set the figure at less than $1.25 an hour. As I said, one of the reasons that a minimum wage of $1.25 an hour would be a benefit to the country is that it would give additional purchasing power to those in the lower income group. There would also be the advantage of equality of income standards throughout Canada.

There is one problem, however, that we have to face and to which the hon. member for Hull (Mr. Caron) has already made some reference. There are areas in Canada where $1.25 an hour certainly means more than it does in other areas. I think this is known to all members and is really an obvious fact. What is really needed, I suppose, is an extensive study, and perhaps the perennial suggestion of $1.25 an hour that has been made in recent years could be approached in this way. There may be some refinements that could be made and possibly in certain areas the figure could be higher than $1.25 an hour. Perhaps some allowances might be made. I would not want to say whether this is a wise or unwise practice. We know that in some provinces there is a difference between the urban rate and the rural rate. I can certainly see the reasoning behind this, but as far as I am concerned the answers are not all in on that question. I am not sure that is a wise course of action.

I thought I had the reference in my notes but when I make notes I unfortunately do not always include all those things I should like to; so in this case I must apologize to the hon. member for Cape Breton South (Mr. MacInnis). I will not be referring to my notes but rather to my memory. If my memory is correct, there are some provinces that do not have a difference between the urban and rural rates, and I think there is something to be said for that. Perhaps a distinction could be made along other lines than the area. Perhaps it could be made on the basis of the type of work in which people are engaged.

I think that these considerations, and the fact that there is much more that could be said on this subject lead us to the conclusion that, while we agree this matter really should have been dealt with a long time ago, we cannot accept the bill without further study. It may be that if the present and previous governments had been as progressive in their legislation as some people would have liked them to be, this problem would have been settled some years ago. As I said at the outset, while I cannot speak for the government I am quite confident that those things that were promised in this regard by Liberal candidates prior to the election will be carried out, and I hope very soon.

Mr. Knowles: Everything else is being sidetracked.

Mr. Cashin: It is very easy for hon. members who belong to groups who have never had the responsibility of governing the country and are very unlikely ever to have that responsibility, to make such remarks continually. In fact, one might say it is good

politics for them to make such remarks, and I believe people generally realize this, when they do say these things. Every day they say: Why is this not being done today? If all the things were done in one day that some people would like to see done I am afraid we would have to have more than a 24-hour day, and also a very great change in the way things have gone up to now.

As I said, people generally realize that when members of these groups say these things they are really saying them for political advantage. After all, since they are small groups it is quite likely that in many cases they despair that the public will understand them because people generally usually listen to these remarks and simply chuckle a little.

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

Mr. Cashin: I certainly will.

Mr. Knowles: Since he has referred to politics I wonder whether he would not agree it would be good politics for the government to bring in the measures that it has promised to bring in?

Mr. Cashin: I am very glad the hon. member asked me that question. I think it would be good policy. What is for the good of the country usually is good politics. I feel that what we are discussing now will be done and that the matter is under study. As we all know, in the last few months the Minister of Labour (Mr. MacEachen) has had a test of his mettle such as few, if any, members of the house have ever had. It is very easy to be wise when you do not have that kind of responsibility, but I wonder what course of action would have been taken by some other member.

We are all aware of the great pressures that have been placed upon the Minister of Labour in various ways to do this or that, and I think the consensus is that he has handled himself in a most admirable way. My knowledge of the Minister of Labour goes back long before my entrance into public life a year ago, and I am quite confident that with a man of his calibre in this portfolio and with the co-operation of all of us, labour legislation will be brought before the house during his term of office unexcelled by any in the history of the country. I say this, so great is my faith in this minister. I am always a little amused by those who make certain remarks, the responsibility of which I sometimes question; but I think we should understand that they are made by those who will seldom, if ever, have the opportunity to govern, which in my view is a very good thing.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, the bill brought before us by the hon. member for Winnipeg North Centre (Mr. Knowles) may not be exactly the same as some that have been presented to previous parliaments but I think it is similar.

Mr. Knowles: It has been before parliament for six or seven years.

Mr. Olson: It is a matter of interest that the member who introduced the bill pleaded with the government to take the same attitude toward it now as they did when they were in the opposition. I am sure the hon. member for Winnipeg North Centre knows better than to expect that kind of attitude.

It was also very interesting to note the remarks of the hon. member who spoke just before me in an attempt to excuse the change of attitude as being a part of political life which the public would forgive, and therefore he did not consider it to be a very serious thing that they should have supported such legislation while they were in opposition and during the election campaign, and have now changed their attitude completely when they are the government.

I should like to suggest that the house should refer the bill to the committee on industrial relations. The committee has not met since I returned to parliament in 1962 and perhaps this would be something it could consider, particularly if the members of the government party are in fact serious when they say they would like to see some such legislation passed. Certainly it would be useful to them to study the provisions in this bill in order to assist them in drawing up the labour code they have promised.

I believe there are 19 sections in the bill before us. As I look through them I see there is provision for a minimum wage of $1.25 per hour and in addition there are sections providing that there is to be no deduction from the $1.25 per hour for such things as special wearing apparel, special tools, and so on. There is also a provision, I am glad to learn, relating to board and lodging, and so on, if this is supplied by the employer. So, if you add all these things up the minimum wage that would result, that is, the total remuneration actually paid to the employee, would be substantially more than the $1.25 per hour.

So, Mr. Speaker, I think there should be some additional study of this measure. I am not completely familiar with the working conditions in all parts of Canada, nor am I completely familiar with those industries that supply wearing apparel, tools and so on, for which deductions would not be allowed from the $1.25 under the provisions of this

bill. Another provision that should have been in this bill, perhaps even in the preamble, is that this $1.25 is a minimum only and should not be considered as a fair wage. There has been a minimum wage law in the province of Alberta for a number of years, but it is made abundantly clear that it is not considered to be a fair wage or a proper wage; it is simply a minimum. I think this should be made clear also in any federal statute which attempts to set a minimum, that it should not be considered as a fair wage.

So, Mr. Speaker, I would like to say that I would support the hon. member for Winnipeg North Centre (Mr. Knowles) in his plea to have the bill sent to the committee on industrial relations, or some other committee for study.

Mr. Donald MacInnis (Cape Breton South): I rise in support of this bill, Mr. Speaker. It was not my intention to do so, but because of the way, the lighthearted way in which the very wealthy hon. member for St. John's West (Mr. Cashin)—

Miss LaMarsh: Cheap, cheap.

Mr. MacInnis: —read his remarks from a pyramid he built up on his desk, I think it is only fair I should make a few remarks on this bill introduced by the hon. member for Winnipeg North Centre. I am quite sure the hon. member introduced it with no intention of establishing this as a fair wage, but only as a minimum wage, and a step in the right direction. The hon. member for St. John's West has a lot to learn. I think he could have learned quite a bit about the minimum wage laws of this country if he had been in Nova Scotia during the last provincial election campaign.

The matter of this minimum wage law came to my attention very forcibly since the start of the Louisburg project. The men there started out at $1.05, and I think at the moment they have reached $1.19 per hour. I do not consider this to be anywhere near a fair wage. Certainly, the establishment of $1.25 as a minimum would be a step in the right direction. I realize, however, that the previous government had a responsibility in connection with this subject, as did governments before that time. As the hon. member stated, if this matter had been looked after when it should have been, this question would not be before the house now. I would point out to the hon. member that his party has had considerable opportunity to deal with it. I would remind the members on the government side of the house also that during the campaign in Nova Scotia, Liberal candidates took it upon themselves to state that the wage rate of $1.19 per hour at Louisburg was established by the previous government of John Diefenbaker, that it was his responsibility. All I can say to them today is, if this was his responsibility, as they put it, they have had an opportunity to correct a situation that needs correcting, according to their own words.

I realize that there is very little time left, so I should like to say to the wealthy young man and his colleagues—

Miss LaMarsh: Cheap, cheap.

Mr. MacInnis: —that they should put their vote where their mouth is. I could learn from the hon. lady, too.

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): Mr. Speaker, the hon. member for Winnipeg North Centre (Mr. Knowles) always begins his speech on these matters by condemning the government of the day for not having acted expeditiously on a matter which he believes is of great importance. There is no question but that this bill is one of very great importance. There is a large number of people affected. The hon. member should also take into consideration, the fact that since the government came into office we have been criticized for moving too quickly on measures that have been projected from the time of our political campaign.

At the same time, the Minister of Labour (Mr. MacEachen), as has been pointed out, has been under some pressure in order to try to bring about a settlement of the great lakes dispute, that is the dispute between the S.I.U. and rival unions. Then, we have had the strike of the longshoremen. In fact, I think it could be said that since the minister was sworn in, he has not had a day off from work, with the exception of the odd Sunday, for instance.

Mr. MacInnis: Nor has the hon. member for Cape Breton South.

Mr. Byrne: Would the hon. member like to make another speech?

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

Mr. Benidickson: He will consider it at the end of his remarks.

Mr. MacInnis: Perhaps I had better yield the floor to the minister.

In his remarks just now the hon. member referred to the fact the Minister of Labour had worked very hard since he took office, and had not had a day off. This has nothing to do with the bill, but I would remind him that he is not quite accurate, and I can prove it.

Mr. Habel: You are getting as bad as Caouette.

Mr. MacInnis: Oh, shut up, Joe.

Mr. Byrne: The hon. member, as usual, is completely out of order, as he has been a number of times since this session began. He asks a question, then makes speeches and then becomes abusive of hon. members. I think the hon. member should contain himself and try to show at least some semblance of good manners in the house.

There is no question but that this legislation the Liberals have been proposing is a matter for consideration by the Minister of Labour. I am sure there is no argument there. We have said that we intend to take measures that will provide at least a minimum standard and that will have effect throughout Canada. Now, this question is not going to be resolved merely by having a debate in the House of Commons for an hour or two. It has been pointed out—

Mr. Knowles: Will the hon. member permit a question?

Mr. Byrne: Yes.

Mr. Knowles: Does he recall who it was for the Liberal party who spoke on this bill last year and urged its adoption?

Mr. Byrne: Mr. Speaker—

Mr. Knowles: If he does not, I can tell him. It was the present Minister of Labour.

Mr. Byrne: Surely the hon. member does not say that the introduction of this bill does not mean that there cannot be measures that are equally suitable or even better. The adoption of this bill would not mean the end-all of improving working and economic conditions of people throughout Canada. The measures we have introduced with respect to Atlantic provinces development will, in my opinion, have a much greater effect on the economy of those areas than a minimum wage.

It is my hope that when these measures go into effect and developments flow from the Department of Industry, the Atlantic development board, and the legislation which provides loans to municipalities, a $1.25 per hour wage will be considered a truly miserly amount.

Mr. Nasserden: Mr. Speaker, on a point of order, if the hon. member who now has the floor addressed himself to the bill before the house instead of dealing with other legislation, some of which has not been considered by the house, we would make a lot more progress.

Mr. Byrne: Mr. Speaker, I have listened to the hon. member reading his speeches quite often and I have found, even when doing that, he frequently departs from the actual debate before the house. What I am speaking about has a direct relationship to the question of a $1.25 hourly wage.

Mr. Nasserden: Mr. Speaker, I do not understand what the hon. gentleman is talking about. I have not been making any speech in the house today. I have not got any notes before me. I have not got a pile of stuff like the hon. member for St. John's West (Mr. Cashin) had before him when he read word for word.

Mr. Cashin: Mr. Speaker, on a point of order, I did not read word for word. The pile of words before me includes a lot of words spoken by the hon. member for Rosthern (Mr. Nasserden), because it is *Hansard* for part of the session.

Some hon. Members: Question.

Mr. Cashin: Would the parliamentary secretary permit a question?

Mr. Byrne: Yes.

Mr. Cashin: Does he not think the reason the Minister of Labour, last year when he was a private member in opposition, wanted a private members' bill passed which dealt with this subject, was because he did not have confidence the government of that day would do it, and we now have confidence that the government of this day will do it?

Mr. Byrne: I believe the hon. member's interpretation of the situation can be accepted. I would not want to be perhaps quite so dogmatic. I believe that in time the Conservative party might have moved toward such legislation but I am sure it would not necessarily have been quite so progressive. No doubt they would have introduced something providing for a much lesser amount.

THE ROYAL ASSENT

A message was delivered by Major Alfred Fortier, Assistant Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the desire of the Honourable the Deputy of His Excellency the Governor General that this honourable house attend him immediately in the chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the house, went up to the Senate chamber.

And being returned:

Mr. Speaker informed the house that the Deputy Governor General had been pleased to give, in Her Majesty's name, the royal assent to the following bill:

An Act to Provide for the Placing of the Maritime Transportation Unions of Canada Under the Management and Control of Trustees.

Mr. Pickersgill: Before Your Honour calls it six o'clock I wonder if I might just say a word about the business of the house. I take it, from the statement made last night, that there was agreement that the debate that was in progress at five o'clock would be adjourned and we would go into supply tonight to take the estimates of the Department of Public Works. On that understanding, it might be convenient for the Speaker to leave the chair and the house to go into committee so we would be in committee at seven o'clock, or perhaps 7.10 when hon. members come back.

Mr. Lambert: Mr. Speaker, it is agreed that we are going into committee tonight to discuss the estimates of the Department of Public Works. The matter of whether Mr. Speaker leaves the chair is, I would suggest, one for Your Honour's own decision, for your own convenience.

Mr. Pickersgill: Perhaps before you do actually leave the chair, sir, in whatever circumstances, I might say that should the estimates of the Department of Public Works be concluded there are a few items outstanding from the Department of Transport. The Minister of Transport (Mr. McIlraith) has indicated that, rather than have us adjourn because of having no business to deal with, he would be quite prepared to answer questions on the items outstanding from the estimates of his department.

Mr. Lambert: May I say, Mr. Speaker, that the Secretary of State is most optimistic.

SUPPLY

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

DEPARTMENT OF PUBLIC WORKS

The Chairman: Order. House again in committee of supply, vote No. 1, Department of Public Works.

General administration including a grant of $2,000 to the Canadian good roads association, $10,695,000.

The Chairman: Shall the resolution carry?

[*Translation*]

Mr. Pigeon: Mr. Chairman, I think it would be in order for the Minister of Public Works (Mr. Deschatelets) to give us a brief outline of the policy of his department.

[Mr. Speaker.]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Chairman, since the items submitted to the hon. members were prepared under the previous administration, over a year ago, I don't think it is necessary for me to give you a long explanation.

However, we have slightly changed those estimates and to enable the house to get a better understanding of the various projects and amounts you are called upon to approve, I intend to give you some essential explanations and I will do it alternatively in French and in English.

[*Text*]

As you know, Mr. Chairman, the items under the heading of Central Mortgage and Housing Corporation must be excluded as they now fall under the jurisdiction of the Minister of National Revenue. As for the items concerning the national capital commission, I shall deal with them separately after the items of the Department of Public Works are completed. You will recall that when these items were tabled by the Minister of Finance in May 1963 he also announced that we would be reviewing these estimates to ensure that the amounts were realistic and that they would reflect as accurately as possible what the department could actually carry out this fiscal year.

[*Translation*]

When revising the estimates prepared in September and October 1962, we found that some projects could not be undertaken because of local difficulties such as the selection of the site, or because of changes in the plans or because of new needs that occurred since 1962. Some projects represent a reduction in the original amount but on the other hand this reconsideration of projects indicated that in some other cases an additional amount had to be provided for to ensure completion of the work.

[*Text*]

The net effect of this is that of the total amount indicated in the main estimates for public works for 1963-64, to wit $166 million, a sum of $7,391,195 will not be required and appropriate amendments will be introduced when the individual items are called. On the other hand, additional amounts were required for new programs or projects which could be undertaken within the fiscal year. These additional items will be found listed in the supplementary estimates of the public works department and amount to $12.8 million.

[*Translation*]

In a word, I would now ask you to approve a total of $172.3 million, and there is an

amount of $6.3 million provided for by the previous administration. For the items we are preparing for the year 1964-65 I expect a more important increase. I will then take that opportunity to submit to the hon. member my idea of the part that the Department of Public Works must play in the national economy. At that time I will have visited the major part of the main projects under construction in the country and I hope that the next estimates that are submitted to the house will reflect the progressive emphasis I intend to give that department which can do so much to develop strategic areas in our various provinces.

[*Text*]

I know hon. members will appreciate these facts and that I can count on their fullest co-operation in considering these estimates. I will endeavour to provide answers to any questions they may have. However, I would propose that I deal with them after all members concerned have completed their observations.

[*Translation*]

Before I resume my seat, may I express to the entire staff of the department my admiration and my appreciation for the dedication they have shown since last April and I wish to tell them how gratifying it is to work with servants of the country who have such a fine comprehension of the importance of their responsibilities.

When I leave that office, maybe in some 20 years, I hope that the department will enjoy as much prestige as it did when I took over.

Mr. Pigeon: Mr. Chairman, my first remarks will be to offer my best wishes to the new incumbent of the public works portfolio. And I could not offer him better wishes than to follow in the steps of his predecessor. I think it will be the best way for him to build up for himself an enviable reputation, to be a man of whom it can be said that he has rendered services to his country.

The Hon. Davie Fulton who left the federal field to go into the provincial political arena was an excellent minister and I know that all members of the house agree to that and miss him a lot. We, on this side of the house, wish him the best of luck in his new political career.

Mr. Chairman, the minister gave us a concise statement of the various changes made within the Department of Public Works and indicated his intention to recommend some others in the future.

Besides, we deeply regretted that when the new administration took office the Department of Public Works was handicapped in matters concerning the Central Mortgage and Housing Corporation. We think it would have been more logical to have the business of that Central Mortgage and Housing Corporation administered by the public works department rather than by the national revenue department.

Did the government try to curtail the importance of that department since the incumbent was from Quebec or did the government consider the minister incapable of managing the business of the Central Mortgage and Housing Corporation?

Mr. Habel: Small politics.

Mr. Pigeon: In the course of my remarks, I do not intend to go into details.

I only want to make a broad review, but I would like later to ask a few questions concerning certain secondary items.

There have been many changes since the minister was named to the Department of Public Works. His first act was to have an office installed in Montreal, at the expense of the Department of Public Works. We would like to know, on this side of the house, what was the cost of this installation, since it is a precedent, and we would also like to know the reasons why the minister, who is almost continually busy in Ottawa, had this office installed.

We would be happy to know who acts for him while he is absent from Montreal. Who are the persons assigned to that office? I was told there are four persons. We would like to know about their salaries, their wages and the part they play, for we find it strange, on this side of the house, that the minister should have in Montreal such a large staff and an office in the public works department building. We would not wish it to be a den for patronage. We wish the minister would give us explanations on that question.

May I remind the minister that one of his first acts as Minister of Public Works was to attend in Montreal, on June 3, 1963, the opening of tenders for work to be carried out at the St. Vincent de Paul penitentiary.

We should also like to have some information in that connection. Would the minister tell us whether he will continue to open tenders himself and whether it is the usual practice for a minister of the crown to do that?

According to the Montreal newspapers, after the opening of the tenders, the minister communicated directly with Argo Construction to give them the news and to ask them if they were interested in getting the contract. Mr. Chairman, we find such a behaviour very odd on the part of a minister of the crown.

Supply—Public Works

As I said a while ago, the minister opened an office in Montreal. I have no hesitation to say publicly here that the officials of the Department of Public Works in Montreal cannot act freely, according to their conscience and their oath of allegiance. The representatives of the minister in Montreal do not allow any employee there to take his responsibilities and to do his duty. They interfere constantly, keep watch over the departmental officials and thwart their efforts. The employees work under tension all the time and we should like the minister to give us some explanation in that respect.

Mr. Chairman, I feel it is unusual for people from the minister's office, in other words proteges of the minister, to try to impede officials of the Department of Public Works in the accomplishment of their duties.

It is true that at the beginning of his remarks, the minister paid a tribute to the employees of this department stating that he was ready to co-operate with them. But if the minister wishes really to be logical with himself, he will begin by closing his Montreal office, he will ask his representatives to refrain from putting pressure on the employees of the Department of Public Works and let them take their decisions and carry out their work.

We, on this side of the house, wish to do without either good or bad patronage, as was the practice up to 1957. I warn the minister that we will be on the watch and I will take this opportunity to remind the house of the kind of patronage which always existed under the Liberal regime before 1957.

Mr. Chairman, I have in hand a photostat letter written by an official of the Department of Publics Works in Montreal which I wish to put on the official record. It reads as follows:

Department of Public Works
150 West St. Paul St.,
Montreal, Que.

April 9, 1954.

CIRCULAR LETTER TO CARETAKERS

(Ville-Marie) RE:—Tenders "copy"

Gentlemen:—

When caretakers and foremen are asked to forward to this office competitive tenders for various works, the following procedure should be followed:

1. When the names of the tenderers are not given by our office, they will have to be obtained from the member, when he is from the area, from his authorized representative or from the local patronage committee—

Mr. Chairman, I draw the attention of the house to the words "local patronage committee".

—the names of a least two competent contractors (three names would be preferable).

2. Give separately to each tenderer the plans, specifications or description of the work and the forms for tender.

[Mr. Pigeon.]

3. Ask them to forward their signed tenders directly to the district architect, 150 W. St. Paul street, Montreal, under sealed cover marked, tender for... (work to be carried out, for instance: outside paint job, public building in St. Martin) so that it will reach destination before the set time and date.

When a price is to be submitted by only one supplier or contractor, ask the latter to forward his signed tender directly to the same address.

Follow those instructions and observe the strictest secrecy about the names of the various tenderers, the prices submitted by each and the procedure to be followed.

Yours truly,

CONFIDENTIAL

(R. Martineau)
Acting district architect

Certified copy, February 10/59. *Caretaker*

Mr. Chairman, I must tell the house that I have crossed out the superintendent's name, for were I asked to table the letter, I would not want that person to become the victim of retaliatory measures. But this document is a certified copy of the original.

Mr. Deschatelets: Mr. Chairman, may I ask the hon. member whether the letter he has just read was written in 1954?

Mr. Pigeon: That is correct, Mr. Chairman. But we are well aware of the type of politics the government is engaged in.

The Postmaster General has a list of privileged people. One knows full well what friends are on that list, and what kind of patronage was prevalent in 1954. I have just submitted to the house an authentic proof, which cannot be refuted.

Mr. Caron: Mr. Chairman, will the hon. member allow a question?

Mr. Pigeon: Mr. Chairman, I have a deep respect for the hon. member for Hull—

Mr. Caron: Could the hon. member tell us how things were run between 1957 and 1963?

Mr. Pigeon: Mr. Chairman, I am glad the hon. member asked that question for he is doing me a favour. Actually I have here a photostat of the circular letter sent to the building superintendents in 1958, when we were in office.

Here is the document:

Circular-58-4F

Department of Public Works
1643 DeLorimier

Montreal Jan. 2, 1958

Memo to all building superintendents

Would you kindly fill in the enclosed questionnaire, and write the name and address of the contractors, subcontractors and suppliers of your district and surroundings, who might be interested in dealing with the department.

Mr. Chairman, I call the attention of the house to the fact that it does not ask for two or three names nor does it say that one should apply to the patronage committee.

I read on:

All these contractors, subcontractors or suppliers must reside within a 15 mile radius of your community and must include any person or company upon which you could depend to carry out various works in the building under your care, or who would be available in case of emergency. Everyone without exception must be listed.

Please take good note, Mr. Chairman, "everyone, without exception must be listed".

Further on:

In the future, when you have been authorized to carry out some works in the building under your care, it will be extremely important that you establish a revolving system so that contractor, subcontractors and suppliers all get a fair share of the money spent.

The enclosed list must be returned to me without delay.

R. J. Grenier,
District director.

There is the difference, Mr. Chairman. The caretakers are simply asked—

Mr. Deschatelets: Would the hon. member allow me to ask him a very simple question?

Mr. Pigeon: Yes.

Mr. Deschatelets: You did say, did you not, that you had crossed off the signature or the name of the caretaker on the other letter?

Mr. Pigeon: Yes, Mr. Chairman, but I can table the document. In fact, I put my seat at stake if the document is false, that is the first document I read.

There is the difference between the two governments. It is simple. You just have to read the two letters, as I did.

In the first letter, written under a government to which the minister belonged, and I know that he will certainly not fail his friends—

Mr. Caron: That was in 1954?

Mr. Pigeon: Does the hon. member wish to repudiate the past record of his party, when he was one of its members?

Mr. Caron: Years come and go, but things change.

Mr. Pigeon: They did not change very much, Mr. Chairman, if one may judge by the list of favourites of the Postmaster General (Mr. Denis). Moreover, we know that there are other lists—

Mr. Caron: They have not been produced.

Mr. Pigeon: No, but they will be.

Mr. Chairman, you have a letter from the former government of which the hon. member for Hull and the present Minister of Public Works were members. It is a circular letter sent out to have the names of two or three tenderers, for patronage purposes, who were to call at the local patronage committee. Moreover, the letter was marked "confidential", which means that it was to be kept secret.

On the other hand, when we were in office, we sent a letter to superintendents of buildings, letting them know that they were completely free to act as they saw fit, according to their conscience and in keeping with the oath they had taken.

There is the difference. That is why I am informing the Minister of Public Works that we shall keep our eyes open and maintain a constant watch.

Newspapers having reported that the minister had had an office built in Montreal, in which four representatives persecute, so to speak, and watch continuously the officials of the Department of Public Works in Montreal, who cannot make an inspection or give instructions without everything being censured by those favorites of the Minister of Public Works, we cannot but ask that this system be abolished.

I know that the Minister of Public Works is not the only one to blame. His party is responsible for that situation. I have been told that the Minister of Public Works was always taking orders from the Minister of Justice (Mr. Chevrier), the number one minister in charge of patronage, the good patronage.

Mr. Chairman, I say that the same thing goes for the Postmaster General, who is not the only one to blame, and his list of favourites that the whip of the official opposition (Mr. Winkler) has produced.

Mr. Chairman, we want to co-operate with the minister, but we ask him to act according to democratic principles. Our forefathers, English as well as French speaking, fought to keep a close watch on the money spent by the state. We do not want that money to be used for political corruption, and that is why we will always be on the look out.

Mr. Chairman, the minister's statement was very short.

Mr. Deschatelets: Will the hon. member allow me to ask him a question? Can he tell the house if he has now come back to the year 1963?

Mr. Pigeon: Yes, Mr. Chairman, we are in 1963, and I wonder why the minister asks me this question. I know he does not like to be reminded of the past. I realize that the past is somewhat the mirror of the future, but the Minister of Public Works should not take pattern for the future on the past.

But I think that the Minister of Justice very often consults the past to see what should be done in the future. He tries to practise a sort of—

Mr. Habel: Mr. Chairman, does the hon. member permit me a question?

Mr. Pigeon: By all means.

Mr. Habel: May I suggest to the hon. member that it might be dangerous to go too far backwards, because one could then talk about Duplessis' patronage, for whom the hon. member once worked, and call attention to the commissions paid for the purchase of paint, etc.—

Mr. Pigeon: Mr. Chairman, I shall answer the question, but I think that suggestion made by the hon. member for Cochrane is completely out of order, since it concerns what is said to have happened in the province of Quebec. If the hon. member wants to deal with provincial politics, let him resign.

Mr. Chairman, as long as I comply with the rules of the house, the hon. member cannot prevent me from saying what I think, according to my conscience, because as far as we who sit on this side of the house are concerned our conscience is clear.

Mr. Chairman, the type of letter sent by the Department of Public Works in 1954 is a scandal which we do not want to be repeated. And I insist on telling to the minister that we shall do our duty, that we shall scrutinize and watch his actions. I know that the minister is a fine man, but we do not want him to be too much influenced by the hon. member for Laurier.

We, on this side of the house, are willing to co-operate fully with the minister so long as he will provide us with the information we request. I feel that the people must be fully informed about the estimates and that the opposition must scrutinize them.

We want to get the list of suppliers of furniture to the department since the minister was appointed to that office.

We also want to know whether tenders have been called and whether they were public tenders, and, in every case, the names of the tenderers and the amounts involved.

We want to know too if tenders have been called for heating fuel intended for public buildings throughout Canada.

We want to know the names of the tenderers, if possible, by provinces. I believe, Mr. Chairman, that we have a right to get such information.

When the Minister of Public Works was in the opposition, I remember that he rose in the house with such a sad face that you would have thought he had been crying, and in a sobbing voice he said that unemployment was such a dreadful thing. It is true. If the present government had let us proceed with our work, we would have found a solution much more easily than the Liberal administration is doing at the present time.

Do you know, Mr. Chairman, what the minister has done. This minister who was crying reminded me of those Buddhist monks who burn themselves up, as you probably know. He was weeping over the unemployed. But do you know what he has done? The first thing he did was to open an office in Montreal.

The second one was to cancel many projects included in the estimates which we had drawn up.

At the present time, unemployment is crucial in Canada. Forty per cent of the unemployed are in the province of Quebec. There are also unemployed people in all the other provinces of the country.

Do you know, Mr. Chairman, that it is as a result of an answer given to a question put on the order paper that I learned about the cancellation of works for a value of $2.45 million for this year by the Minister of Public Works. Why, Mr. Chairman, at a time where the government knows that it is faced with a crucial unemployment problem, a serious problem threatening the economic foundations of the country, why has the minister cancelled $2.45 million of works in the country?

I have the list in hand. For example, in Nova Scotia, almost $400,000 of public works were cancelled. In the province of Quebec, almost $315,000 of works and as much in Ontario. I could give you a detailed list. I would like the minister to explain why these works have been cancelled, while they appeared in the main estimates.

We would also like to know, if these works have been considered as being reasonable by qualified officials of the Department of Public Works why the minister has left them out and whether the minister intends in the near future to carry out these building projects, in order that we may know whether the minister or the officials of the department are inconsequential. But I have more confidence, Mr. Chairman, in the distinguished officials of the Department of Public Works who are logical and qualified employees—the architects, engineers and others who have proved themselves.

I naturally have all due respect for lawyers, Mr. Chairman but to my mind the minister was not qualified to determine whether or not $2 million worth of public works could be cancelled in a country afflicted with crucial unemployment.

I am coming back to that. The minister's eyes were full of tears, Mr. Chairman. But today the minister cancels important works in our provinces, at the very moment when unemployment has reached a crucial peak.

I would like now, Mr. Chairman, to give the house a concrete instance which refers to the county I have the honour of representing here. I am thinking about the tenders which were called for the purchase, in the municipality of Rawdon, of a lot to build a post office. The old one was housed in the municipal building.

The mayor and the municipal authorities got in touch with me to inform me that they needed space and they asked for the construction of a post office. Everything was according to the requirements set up by the Postmaster General and the Minister of Public Works, as far as revenue was concerned.

Then, at the request of the municipal authorities, I made some inquiries. The post office was not for your humble servant. The land was bought, the tenders were called and the lowest bidder was a person from Rawdon.

At that point there was a change of government. The present Minister of Public Works was appointed. He got patronage rolling and this was related to the first move, very likely to favour one of his friends in Montreal. He sent a notice to the contractor who had been awarded the contract and had already started construction, telling him to send his bill, so he could be paid.

The work was stopped, while it was known that the contractor was qualified and that he had been duly approved by the Department of Public Works. I had to beg the minister so that construction could go on. Several days later, he ordered the contractor to carry on with the work of that post office.

I know, Mr. Chairman that this case, which affected me and struck me, has certainly been a shock also to other members of this house.

We should like the Department of Public Works or rather the Minister of Public Works, because I do not want to say anything against the department since the employees of that department do a good job as long as there is no interference from the minister.

We would like all the ridings in the country to be treated the same way, whatever their political allegiance. If the minister wants to do that, he has only to follow the example set by his predecessor, the Hon. Davie Fulton, who was deeply missed by all members of the house and the employees of his department when he left.

Finally, Mr. Chairman, the minister must not forget the election promises made by his leader and his party during the last election campaign. In every city or town he visited, the Prime Minister promised something, either the construction of a public building or a wharf. You know, he reminded me a little of the Larousse dictionary: "He sowed broadcast". He made promises.

I read in *La Presse* on February 27, 1963:

> Mr. Pearson promises again a deep water harbour to Riviere du Loup.
>
> The political party which, once in power, will give Riviere du Loup suitable harbour facilities—

Mr. Pearson made promises and I know that he did so in all the provinces of Canada and in the maritimes; now, the minister comes before the house and asks for $172.3 million. He adds only $6.3 million.

I am convinced that those $6.3 million will not take care of all the election promises made by the leader himself. In view of the fact that the minister asks for $6.3 million in supplementary estimates, why did he cut $2,045,000? There is something illogical in this.

We would like also to know what the minister thinks of the famous tax on building materials. I admit that this tax does not fall directly under the Department of Public Works, but I believe that it has direct consequences since it contributes to increase the cost of building materials and, accordingly, has an effect on the construction of buildings by private enterprise in our country. Let me also call to the attention of the minister that the architects and the engineers of the Department of Public Works very often give evidence of bad taste in their building plans. Changes should be made along that line. In other words, attention should be drawn to designing a style proper to each place. If a post office is built in the Laurentians, it should have a special design which would be different from a city post office.

I also ask the Minister of Public Works to set up air conditioning systems in all large public buildings where there are none at the present time. I would give as an example the building where the unemployment insurance and post office employees in Joliette work. It is a beautiful building but it is not equipped with air conditioning; during the summer, for security reasons, they are prohibited from opening the windows to eliminate the risks of thefts. I must admit that no theft has as yet been committed since the hon. member for St. Denis (Mr. Denis) has been in office.

We should like the minister to give some comfort to government employees and instal air conditioning systems in all major federal buildings. Now that the minister himself has an air conditioned office, as well as all the high officials of the government, why the civil servants of the country—

The Chairman: I am sorry to interrupt the hon. member, but his time has expired.

Mr. Deschatelets: I think that the house agrees that the hon. member may continue.

Mr. Pigeon: It is customary to allow the official spokesman of the opposition to present all his views.

The Chairman: Unanimous consent would be required to allow the hon. member to continue.

Some hon. Members: Agreed.

Mr. Pigeon: Mr. Chairman, I request from the minister to have air conditioning systems installed in major offices of the country and also that that policy be applied to the erection of new buildings.

As far as the world exhibition of 1967 is concerned, I wish to ask the minister who is responsible for it? Is it the Minister of Justice (Mr. Chevrier), or the Minister of Industry (Mr. Drury) who expressed doubts about the economic aspect of the proposed site on the St. Lawrence, or is it the Minister of Public Works? I have here a newspaper report entitled:

The trustee-minister placed under trusteeship.

And I read the article.

Mr. Caron: From what newspaper do you quote?

Mr. Pigeon: I am not ashamed to quote it, it is an article by Mr. Clement Brown, published by the newspaper *Montreal-Matin*. At the same time, I dare him to prove that it is false. Would the hon. member allow me to read the article?

As soon as the Pearson cabinet was sworn in, on April 22, the Prime Minister announced that public works minister Jean Paul Deschatelets would look after the 1967 world exhibition and that he would answer for the commission before parliament. At the time, everybody thought that the same minister would be responsible for the world exhibition.

As the weeks go by, Mr. Deschatelets seems to have less and less authority in that respect. Announcements concerning the world exhibition are made either by Prime Minister Pearson—which may be normal—or by Justice Minister Chevrier —which is much more unusual—

Consequently, in the interests of the Canadian people we would like to know if the world exhibition comes under the Minister of Public Works.

Mr. Caron: Was the author of the article not a Conservative candidate at the last election?

Mr. Pigeon: Mr. Chairman, I should like to point out that the fact that a Canadian was a candidate at an election, whether it is under the Social Credit, the N.D.P., the Liberal or the Conservative ticket, is no indication that the man is dishonest.

[The Chairman.]

Mr. Caron: I did not say that. You are the one who said it.

Mr. Pigeon: To continue with my remarks, Mr. Chairman, I should like to point out that the present government jeopardized the world exhibition every time it delayed that project.

In postponing the choice of a final site for the exhibition the present government wanted to blackmail the authorities of the city of Montreal. One of the commissioners, who is a good friend of the minister, and whose name I will not divulge, told me and others that the government was responsible for the delays and that it had endangered the future of the world exhibition to be held in Montreal. The minister did not want the exhibition to be held on St. Helen's and Notre Dame islands. He is quite aware of the article I have in mind and, since then, he has promised that the world exhibition would be held in the eastern part of the metropolis.

Mr. Teillet: Could we know whom you are speaking of?

Mr. Pigeon: I have the article here.

Mr. Teillet: You said that you would not mention the name of a certain party.

Mr. Pigeon: I said that the world exhibition commissioner had told me the delays concerning the final acceptance—

Mr. Teillet: Then, it is anonymous?

Mr. Pigeon: —had jeopardized the 1967 world exhibition. Besides, Mr. Chairman, I have here *La Presse* of March 20, 1963.

May I be allowed to point out that during the last election, the minister, who would have been trustee of the world exhibition, as we might say, in the case of a trusteeship, as is evidenced in a letter published in the Montreal newspapers, and mentioned by *La Presse* and I quote:

The 1967 World Exhibition in Montreal East.

Enclosed you will find copy of a letter which I have addressed to the Chief Commissioner of the 1967 world exhibition, Mr. Paul Bienvenu, as regards the site of the world exhibition.

I did that at the request of various businessmen's associations of the east end of Montreal.—Jean Paul Deschatelets, member for Maisonneuve-Rosemont.

Dear Mr. Bienvenu,

I am writing to you as a citizen of the Montreal east end about the decision that will be reached these next few days as to the site of the 1967 world exhibition.

Many representations have been made concerning the advantages offered by the eastern part of Montreal, the main ones being as follows:

First, a site ready to be developed.

Second, a very cheap site.

Third, a very easily accessible site.

Fourth, a site located in the heart of French Canada.

I hope the east end of Montreal will be recognized as the logical site for the world exhibition and rest assured that this will meet with the opinion of all the experts who have studied the advantages of the various locations which have been submitted to you until now.—Jean Paul Deschatelets, M.P.

Also, Mr. Chairman, there was a question asked on the orders of the day of December 12, 1962, concerning the world exhibition and its site in the Montreal east end, as shown in *Hansard* at page 2578, and I quote:

1. Has the associate minister of national defence received briefs from the Montreal east businessmen's association and the municipal council of Ville de Repentigny suggesting Maisonneuve park or some other location in Montreal east, as the site of the 1967 world fair to be held in Montreal?

2. Has the attention of the minister been drawn to the fact that there is in Montreal east an 800-acre piece of land available as a site for the world fair?

3. Before a decision is taken in this connection, will public bodies, such as the businessmen's association and the municipal council of Ville de Repentigny, be consulted?

That was meant to show you, Mr. Chairman, that we are not too surprised that the government took some time before accepting St. Helen's island and Notre Dame island as the site of the world exhibition, which location was the choice of the authorities of the city of Montreal.

I should also like to underline, Mr. Chairman, the excellent work done by Mr. Paul Bienvenu who, faced with situation which he described as untenable, could not carry on. I offer my best wishes to the new commissioner, Mr. Pierre Dupuy.

May I congratulate publicly here, in this house, the mayor of Montreal for the excellent work he has performed and for his contribution to the success of the exhibition. I am convinced that the mayor of Montreal keeps working towards the success of this exhibition.

Mr. Chairman, may I also pay a tribute to a man who was the first person in Canada to advocate that the world exhibition be held in Montreal in 1967, and I am referring to the late Senator Mark Drouin. He has gained our gratitude and everybody knows this outstanding personality asserted himself for the manner in which he interpreted Canada. I say: Hats off for the work he performed in connection with the Montreal world exhibition of 1967.

Mr. Chairman, after an inexcusable delay, Ottawa, by dint of pressure from all sides, and of complaints on the part of the Canadian public, gives its assent to the St. Helen's island site.

The federal government also forced the authorities of the city of Montreal to pay the sum of $2,500,000 for part of an ice control project.

Mr. Chairman, I have here an article published in the Montreal paper *La Presse* on Thursday, July 4, 1963, entitled:

Montreal attributes all difficulties concerning the world exhibition to Ottawa.

The city of Montreal availed itself yesterday of the new delay brought about by next Saturday's "summit conference", to stiffen its attitude toward the federal authorities and, finally, to blame "the people in Ottawa" as being solely responsible for the delays in determining the 1967 world exhibition site.

Mr. Chairman, I realize that those are things of the past, that they belong to history today, but I merely wanted to recall in the beginning, that the hon. member for Maisonneuve-Rosemont, who is now the Minister of Public Works and responsible for the world fair, had some rather painful experiences.

Indeed, this government has known the same difficulties, for any legislation introduced in the house was only passed with great effort. Mr. Chairman, it is not surprising that the Minister of Public Works had to face those difficulties, considering the position of his government.

Mr. Chairman, I am saying all this as spokesman for the official opposition in matters pertaining to the Department of Labour estimates, and I can hear a minister of the crown, the hon. member for St. Boniface (Mr. Teillet), who is forever passing remarks. I shall therefore ask you, once for all, to invite him to leave the house if he persists in interrupting me. On the other hand, if he wants to ask me any question, let him rise to do so and I shall be pleased to answer him.

Mr. Teillet: Mr. Chairman, I intended to ask some questions, but it would have been very difficult. Anyway, I was tired of just hearing him read from newspaper cuttings.

Mr. Pigeon: Mr. Chairman, it might well be said that this government has not been able to rule in peacetime. The president of the world exhibition, as well as one of the commissioners, have resigned. And so has Mr. Claude Robillard. We shall be happy to hear from the minister who is going to replace them. Days and weeks are passing and nobody has been replaced yet. I think this could very well jeopardize the world exhibition planning.

Mr. Caron: Mr. Chairman, I wonder whether the hon. member knows that, hardly two weeks ago, the mayor of Montreal stated that the Hon. Mr. Dupuy would probably be the only competent man to fill this post.

Mr. Pigeon: Mr. Chairman, if the hon. Mr. Dupuy is the only competent person, I would

ask the government to give him immediately the status of commissioner general of the world exhibition, so that he could get out of the civil service. I think that as an ambassador he was under the federal cabinet.

Mr. Caron: When he was in France.

Mr. Pigeon: Mr. Chairman, if Mr. Dupuy comes under the jurisdiction of the federal cabinet, I believe that the situation is abnormal because we must give the commissioner general every possible latitude. And we would not want him to be under any influence of the federal government.

Mr. Chairman, I know that Mr. Dupuy enjoys great prestige and that he is a very valuable man. I am also assured that in co-operation with the proper authorities he will ensure the proper operation of the world exhibition. However, we would not want him to be put in an untenable situation.

For these reasons, and following the questions of the hon. member for St. Mary (Mr. Valade) we would like to know when the government will grant him official status as commissioner general for the exhibition in order that he may cease to be subservient to the federal cabinet.

Mr. Chairman, the Prime Minister of Canada knew on July 8 last that Mr. Bienvenu was to resign. Why was there a delay? Why have they waited so long before appointing a successor? I believe that this delay harmed the world fair project.

Mr. Chairman, as I said already, Mr. Dupuy is a competent man and if the government wants to rely on him entirely he will be able to make a success of the exhibition.

Many organizations such as the Jaycees in the district of Montreal expressed a desire that the mayor of Montreal be appointed as commissioner general.

For one, as soon as Mr. Bienvenu resigned, I knew that many citizens of Montreal and the surrounding area declared that in their opinion the mayor of Montreal was highly competent to be at the helm of the exhibition project. Now, when does the government intend to amend the act.

An hon. Member: He is reading a newspaper.

Mr. Pigeon: Mr. Chairman, I hear another remark by the Minister of Veterans Affairs. Does he have something to say?

Mr. Teillet: Mr. Chairman, a while ago, through sheer courtesy, the house allowed the hon. member to extend his time. But what is he doing? He is only reading newspapers. That is what I had to say.

Mr. Pigeon: Mr. Chairman, I have here some paper clippings and some texts I wrote myself. Besides, the spokesman of the official opposition was always allowed to make his remarks as he pleased, provided he was not out of order.

Mr. Teillet: Just the same, it must make sense.

Mr. Pigeon: I warn the minister—

[*Text*]

Mr. Barnett: Mr. Chairman, I rise on a point of order. I have no desire to be discourteous to the hon. member who has the floor, but it does seem to me it would be fair to point out that there are other members of the committee who would like to participate in the discussion this evening. In view of the fact that we are in committee I wonder, on the point of order, whether the hon. member would be willing to bring to a conclusion the particular phase of the remarks with which he is now dealing and perhaps participate later in the debate with some of the other matters with which he might wish to deal.

Mr. Pigeon: I agree, Mr. Chairman. I will speak for only a few minutes and I will continue later with the other items. I will do that with pleasure.

[*Translation*]

Mr. Chairman, as far as the world fair is concerned, I shall have an opportunity to come back to that and the minister might indicate when we can discuss that matter, since there is absolutely nothing in the estimates.

We want the fair to be a success. We want it to get a complete autonomy and we want to see the fair commissioners absolutely free. In other words, we do not want the chosen theme "Man and his World" to become "Liberals and their World" because of patronage.

I wish to warn the trustee minister, under trusteeship, because lately, a committee of the Canada Council was set up for the exhibition and I understand that following certain pressures, the presidency was entrusted to the treasurer of the Liberal party, Senator Gelinas.

And with this, Mr. Chairman, I bring my remarks to a close.

[*Text*]

Mr. Valade: Mr. Chairman, I wish to express my thanks to some hon. members who have yielded the floor to me because of some personal reasons which oblige me to leave early tonight. I wish to extend my gratitude to these hon. members.

[*Translation*]

Mr. Chairman, the Minister of Public Works (Mr. Deschatelets) introduces tonight the estimates of his department and among those estimates, the one I consider the most

important of course, the item concerning the Montreal world fair.

As a member from the Montreal area, I must point out certain developments which took place after the election, by accident, of a Liberal government on April 8 last.

As soon as he took over, the Minister of Public Works immediately compromised the potential success, the possible success of the world fair. Mr. Chairman, I wish to call to the attention of the house the fact that the 1967 world fair, which is to be held in Montreal, is one of the most splendid undertakings carried out by the Conservatives during their administration in Ottawa. We owe this to the drive of a government which foresaw that Canada would regain its international position if it could persuade the Paris international bureau of exhibitions that the 1967 world fair should take place in Montreal.

Without minimizing the credit which is due to the mayor of Montreal and to the chairman of the executive council, Mr. Lucien Saulnier, I deem it necessary to point out that from the very beginning the Conservatives were the ones who advocated the idea of a world fair first in Canada, and later on in Montreal.

Close on the heels of the last general election, a palpable uneasiness made itself felt within the World Exhibition Corporation, which should be free from political pressure and from the interference of the new government. Unfortunately, it has not been so. I would not want to see my hon. friends opposite claim that the few remarks I am making tonight concerning political pressures are false.

In order to try to place the problem in a context quite favourable to our friends of the government, I should like simply to quote a few words from an article published in *MacLean's* magazine of October 5, 1963, at page 17. This magazine's reporter stated in a feature article on the world fair:

[*Text*]

The first commissioner general of the fair and his deputy have resigned because of bickering and power-plays by government.

[*Translation*]

If that is not, Mr. Chairman, a formal charge about undue political pressure exerted by the new Liberal government, within that company, then I ask the minister to refute publicly this assertion, and in particular to prove that there has been no pressure because I am able to establish that there has been some pressure exerted by some Liberal organizers who have become today senior officials and executive assistants to the President of the Privy Council (Mr. Lamontagne).

Mr. Chairman, it is unfortunate that besides the political pressure which is exerted, we have the misrepresentations and the evasive answers from the Minister of Public Works and the Prime Minister himself.

I shall say later that the Prime Minister lied deliberately to the house when he gave an answer based on false information from—

Mr. Deschatelets: Mr. Chairman, I rise on a question of privilege.

[*Text*]

Mr. Chairman, on a question of privilege, the hon. member for St. Mary just said that both the Prime Minister and myself had lied or had given some facts which were not accurate, and that we knew they were not accurate. I do not think that this should go on the record unchallenged. I should think that the hon. member for St. Mary should be asked to withdraw these unfortunate and untrue assertions.

[*Translation*]

Mr. Valade: Mr. Chairman, I said clearly—and I think the Minister of Public Works heard me quite well—that the Prime Minister had lied to the house or had misinformed the house, because he did not know the facts. I prefer to think that the Minister of Public Works and the Prime Minister did not lie to the house but rather misinformed its members, probably because they were not aware of the facts that were made public later on.

To prove what I have just said, I would like to recall to the Minister of Public Works the letter of resignation—

[*Text*]

The Deputy Chairman: Order. I am sure the hon. member for St. Mary would not want anything on the record which would be offensive to him or to any member of this house. Perhaps he might be willing to withdraw what he said, or rephrase it.

Mr. Valade: Well, Mr. Chairman, I specified that either the Prime Minister lied or that he gave an answer which was not in accordance with the facts, and I prefer to think that it was the latter. But I did not accuse either one of them.

The Deputy Chairman: I think the hon. member should withdraw the word "lied". It is a most unparliamentary word.

Mr. Valade: Mr. Chairman, if the hon. gentlemen in power think that I am hurting their feelings when I say that the Prime Minister has lied, then I did not make that statement; it is for them to believe that. I just put the dilemma to the government—

The Deputy Chairman: Order. The hon. member will realize that it is not a question

of the feelings of any member of the committee. It is a question of using language which is not permitted in the chamber.

Mr. Valade: Mr. Chairman, I yield to your demands because I want to be more courteous to the present government than they have been since the session started. I want to say that the Prime Minister may not have lied, but the facts reveal that we did not get the true information when we asked questions of the government on the very issue of the resignation of both the commissioner general and the deputy commissioner. I want to point out to hon. gentlemen that when Mr. Bienvenu resigned his function it was acknowledged that things were not going so well. On July 19 I asked the Prime Minister if either Mr. Carsley or Mr. Bienvenu were asked to resign, or whether they had informed the government of their intention to resign. On that occasion both the Minister of Public Works and the Prime Minister answered that all was well under the roof of the World Fair Corporation, that no such thing was true and that this statement did not conform with the truth. When Mr. Bienvenu made public his letters of resignation, it was found that the first letter sent to the Prime Minister was dated July 12, 1963, which was six days before the Prime Minister answered in this house that he was not aware that either Mr. Bienvenu or Mr. Carsley were resigning.

That is on the record, and I am sure the Minister of Public Works cannot deny something which has been printed in the papers and to which he can refer. It is to this I was referring when I said the Prime Minister did not give an answer to the question I asked on July 13, 1963.

[*Translation*]

Mr. Chairman, I intend to continue showing that it is unfortunate that the government, as soon as it took office, started to interfere in the business of the World Fair Corporation, using it as a field for political patronage.

By the time the debate on the estimates of the Minister of Public Works is over, I shall be able to give other details.

But to illustrate that there are indications of political pressures, I should like to draw the attention of the Minister of Public Works to a letter sent by the mayor of Montreal, Mr. Jean Drapeau, on July 2, 1963, to the Right Hon. Lester B. Pearson, Prime Minister of Canada.

I do not intend to read this letter in full, because it is rather long, but I want to point out to the house that certain indiscretions have been committed by the Prime Minister and the Minister of Public Works, which were a threat to the success of the world fair.

Those indiscretions were made in regard to the chief organizer of the Liberal party in the province of Quebec, during the last federal election.

I refer to the letter dated July 2, 1963, from which I quote a few paragraphs:

> Back in Montreal, we met nobody and we had no telephone conversations with newspaper reporters or anybody else about our meeting and the subject of our conversations.
>
> Besides we were very surprised, Mr. Saulnier and myself, to learn when we arrived at your residence—

Here he meant the residence of the Prime Minister—

> —that a telephone call was awaiting Mr. Saulnier. Later on we found that it was a call from Mr. Brady who had been informed of our visit by someone from your office or the office of Mr. Deschatelets. At any rate, Mr. Saulnier did not call Mr. Brady back and we returned to Montreal without getting in touch with anyone in Ottawa.

Well then, Mr. Chairman, I would ask the Minister of Public Works to tell us who Mr. Brady is. What was a political organizer like Mr. Brady doing at a confidential meeting between the Prime Minister, the mayor of Montreal and the chairman of the executive council?

That is what leads me to believe that by exerting uncalled for pressure, the Liberal party tried to turn the world fair into a political plum, into a source of patronage, instead of carrying it out as a national endeavour designed to stimulate the interest of foreign countries in Canada.

Later on, that is September 4, 1963, I sent a telegram to the Prime Minister.

In view of the facts I have just mentioned, I felt there was sufficient reason for the house to go into committee or for setting up a special commission of inquiry to determine the true motives behind the resignations of Mr. Bienvenu, the commissioner general, and of Mr. Carsley, his deputy.

If the minister, indeed, if the government has nothing to hide I would hope that a parliamentary committee would be set up to find out the truth, even if the committee had to sit behind closed doors.

Mr. Chairman, I should not want to limit myself only to the uncertainty which was created by the hesitation, the beating about the bush, the delays, the retreat, in short, the carelessness shown by the Minister of Public Works with respect to the world fair since the election of the government, last April 8.

I wish to put on official record the fact that the Liberals have accused the former government of wavering. Now, allow me to

mention that within a month, the Conservative party had chosen the present site of the world fair and had officially accepted it, while the present government took five months to accept definitely and officially the site of St. Helen's island which had been recommended by the former government.

Well, Mr. Chairman, not only should we consider those matters, but also if we are aware of our responsibilities, we should make suggestions to the Minister of Public Works, in order to ensure the success of this world fair.

I would like the minister to consider immediately the possibility of building, in co-operation with the city of Montreal, some access roads to Notre Dame island. I would also like the minister to visit the premises and realize that it would be necessary to widen, in co-operation with the authorities of the province of Quebec, the roadway of Jacques Cartier bridge, and this in the near future.

I would like the Minister of Public Works to consider immediately the building of a throughway around the city of Montreal in order to speed up the flow of traffic to the site of the world fair in Montreal.

I also feel that Canada should decide in the near future what type of pavilion it intends to build and that after the exhibition, this pavilion should be used as a museum of Canadian history, as a hospital or as a cancer research centre.

After all the promises the Prime Minister made during the last two election campaigns, the Minister of Public Works should convince him to give the country a Canadian flag which could wave over this Canadian pavilion at the world fair.

In my opinion, the Minister of Public Works should offer favourable conditions to private enterprise for the building of hotels or facilities to accommodate the many tourists who, I hope, will come to Canada for this event.

There were many other matters I wanted to discuss and I would have liked the Minister of Public Works to explain in his statement how he intends to ease unemployment in the province of Quebec where unemployment affects about 40 per cent of the labour force.

When the hon. member for Maisonneuve-Rosemont was in the opposition, I remember that he has accused the Union Nationale government of being responsible for the unemployment situation, because, as he then suggested, the Union Nationale had refused to participate in joint programs. Well, let the hon. minister continue saying the same thing now.

Only recently, Mr. Rene Levesque and Mr. Jean Lesage served the present government with an ultimatum demanding its withdrawal from the joint plans. I therefore would ask him to retain the same position, the same opinion. I want to ask him whether, in future, he intends to abolish the joint plans or if he intends to intensify such plans so as to ensure to the province of Quebec the full employment his government, his political party, promised at each federal election.

Mr. Caron: It is coming.

Mr. Valade: It is not coming as fast as that. It will not come as fast as that if you continue delaying the business of the house by uselessly interrupting the one who is speaking, without contributing nothing constructive.

I think the minister might give us some explanations since he was so voluble when he was in the opposition. But now that he has crossed the aisle he keeps silent.

Does he approve the policies of Mr. Lesage who in the 1960 election promised that if he was elected he would consider unemployment as a provincial matter. The Minister of Justice (Mr. Chevrier) and the Minister of Public Works (Mr. Deschatelets) denied that Mr. Lesage said that if he were elected he would consider unemployment as a provincial responsibility. Furthermore we have had an acute unemployment situation in the province of Quebec since the coming to office of the Liberal party both in Ottawa and in Quebec.

Mr. Minister, please refrain from giving evasive answers to the members of parliament. We would like to have answers in order to inform the people and in order to know what you have done since you came to office, failing which we will be forced to say that you did nothing.

The truth squad of the Minister of National Health and Welfare could play the same tricks it did in the last election campaign and tell us how far she would go to help the government solve the unemployment problem in Canada and more particularly in Quebec because unemployment is a major problem which should be immediately examined and considered by the government.

Mr. Caron: No, because we have done something.

Mr. Valade: I would like the minister to tell us how he wants to remedy the unemployment situation in co-operation with his Liberal friends of the province of Quebec who had him elected.

I am sorry, because I only wanted to speak five minutes, but I want to answer my hon. friend.

In *La Presse* of June 21, 1960, and May 21, 1960, we could read the following:

Marked drop of unemployment, more particularly in the province of Quebec.

This was before the Liberal party came into power in the province of Quebec. Please note:

Marked drop of unemployment, more particularly in the province of Quebec.

And now, I shall quote another item which a responsible paper printed this morning:

40 per cent of Canadians unemployed are living in the province of Quebec.

What about all those election promises?

Mr. Caron: What paper are you quoting?

Mr. Valade: I can tell you. It is not *La Reforme*. I would not mind my friend using this paper to make a speech—

Mr. Caron: We only want to know the name of the paper.

Mr. Valade: It is *Montreal-Matin*, but I can also give you *La Presse*, if you wish, or *Le Devoir*, and I hope this will satisfy you.

Quebec has 33 per cent of this country's unemployed.

That was in *Le Devoir* of October 18.

Does the hon. member work hand in hand with the premier of the province of Quebec, who was elected because he promised to put an end to unemployment? I represent a riding where the majority of voters are working people. I meet those people and they tell me about their idleness. I know hundreds of voters in my riding who have been discharged by the Liberal government of Quebec as soon as it took over.

Unemployment cannot be fought with party politics.

But no thought was given to Quebec's unemployed.

Mr. Chairman, since the Liberal party has been in office in the province of Quebec, four times as many licences for the sale of liquor have been issued. However, no one bothered to look after the unemployed.

The Chairman: Order. I think the hon. member will recognize that he has wandered quite a bit from the first item now before us by making a review of the political situation in his province.

Mr. Valade: Mr. Chairman, I must admit that the comments of our hon. friends opposite did sidetrack me a little.

Mr. Chairman, I was asking the Minister of Public Works what steps he intends to take to reduce unemployment.

I know that some parties made suggestions, but I also know—and that is the important point—that the Liberal party made some too. And that is the purpose of my contribution, to ask the Minister of Public Works to describe to us the program he intends to apply in order that this winter we do not have to suffer from that plague of unemployment, which will increase if the government does nothing. We are interested in that problem, as we used to be when we were in office. And if some members doubt that my statements are correct, I shall quote figures to prove them.

Mr. Chairman, I say to the Minister of Public Works that it is his duty to take immediate steps to reassure the population of the province of Quebec, especially the unemployed, whose number reaches 40 per cent of the total for Canada, and who hope that the Liberal government will take steps to stem unemployment and secure full employment.

Mr. Chairman, I have many more remarks to make, but I shall conclude with some suggestions for the minister. I do not know if it is necessary, but it seems to me that without suggestions, the Liberal government does not work as it should. Here are some of the suggestions I want to make to the minister.

To begin with, the minister will have to intensify right away urban renewal in Montreal. The slums must be demolished and replaced by salubrious houses. Too many people live in slums, in houses that are falling to pieces, and I think that the Minister of Public Works should consult with his colleagues from the cabinet in order that immediate measures may be taken to improve that situation. In doing so, he would help alleviate unemployment.

I say again to him that he will have to promote urban renewal in the city of Montreal.

The minister should also undertake immediately the construction of access roads to the site of the world fair.

Moreover, the Minister of Public Works should tell us whether he intends to recommend to the Minister of Finance (Mr. Gordon) the removal of that odious 4 per cent tax on building materials, which will be increased to 11 per cent this winter, so that the contractors and taxpayers who would like to do so may build houses this winter, thus increasing employment during that bad season.

Mr. Chairman, I am waiting for the minister's answers. I have many other suggestions to make but I will keep them for later.

Mr. Chairman, of the 21 ridings in the city of Montreal, that of St. Mary is the only one represented by a Conservative member. During the last election campaign, the electors

of the city of Montreal were the victims of propaganda published by some partisan newspapers. Personally, I was logical with my electors, and they in turn were quite logical with me, so that we might not be all victims of that propaganda. I am amazed to note that out of the 21 members from Montreal, there is only one to rise in the house and ask, for the city of Montreal, the metropolis of Canada, the carrying out of important works. The present government should do something for the metropolis of Canada just as we did when we were in power.

[*Text*]

Mr. Leboe: Mr. Chairman, I shall not detain the committee very long because there are others who would like to speak this evening and I have not as much to say as the speakers who preceded me. As you know, Mr. Chairman, I will be leaving in a day or two and I will not return to the house for three weeks, so there will be silence from this quarter. I should like to move from the past into the future for a moment.

I have a peculiar problem which I should like to present to the minister, and it is related to the paving of the Alaska highway. I realize, of course, that this highway comes under the jurisdiction of the Department of National Defence at the moment. However, I should like to ask the minister to do some more transferring and get the Alaska highway transferred to his department. I quite understand that as long as the Department of National Defence has jurisdiction, the paving of the highway is something in which they would not be interested. I can assure the minister, however, that the paving of that highway is something in which not only the people of that particular part of the country are interested but many other people as well, including the minister of northern affairs. He is especially interested, and has been most energetic in trying to get something done along that line.

I would appreciate it very much if some negotiations could be conducted with a view to having the Alaska highway paved and reconstructed. I understand that British Columbia is prepared to pay one third of the cost of this project in the British Columbia section, which certainly would be a great help to the federal Department of Public Works, if that department should assume jurisdiction over this highway.

Then, I should like to interest the Minister of Public Works in considering proposals which have been put forward on a number of occasions during election campaigns by both the Liberal and Conservative parties, that is a trans-Canada highway system. In my view this is an important step. I like to qualify this request by saying that if the federal government ceases to take the lion's share of the tax revenues and thus allow the provincial governments to embark upon a greater highway program, then I would drop my request immediately. Under the circumstances, since I am convinced the federal government is taking the lion's share of the tax revenue, I believe some responsibility does devolve upon the department.

There is one other thing I should like to mention, and again the minister of northern affairs is involved. I have a feeling that most people who use the trans-Canada highway or other trunk highways over which the federal government might have jurisdiction could be given a right of way when they pass through national parks. I believe that the amount of money that is involved in collecting this $2 from individuals who pass through these parks would provide a right of way through the park. Then, people who are not interested in stopping in the national parks and who are using a through, trans-continental highway, could travel unimpeded through these parks. I have been told by trucking firms that it is very much easier to enter the United States at Coutts or Sweet Grass and come out at Sault Ste. Marie, than it is to go through one of the national parks. I do not think this should be the case. I feel the time has come when serious consideration should be given to eliminating what I believe is an absolute nuisance for travellers on our highways.

I have just one or two little reminders left which, as the hon. member for Kootenay West would say, are very urgent matters for the people in my constituency. I should like to remind the minister to provide post office facilities at Fort Nelson and Taylor.

Mr. Barnett: Mr. Chairman, the hon. member for Cariboo and I are departing to attend the commonwealth parliamentary conference. He did not take the time I expected he would in discussing the estimates for the Department of Public Works. The fact he mentioned such matters as the Alaska highway and the removal of the charges for travel on the trans-Canada highway through federal parks, indicates how widespread the subject matters are that can be discussed at this time. One could contrast his remarks with the fairly lengthy observations to which we listened on the subject of the Montreal world fair. In so far as the Montreal world fair is concerned, I certainly wish it well. I was one of the members who spoke in support of the bill which established the Canadian corporation. However, I am not disposed at this time to enter into any detailed dis-

cussion such as was undertaken by those who spoke from the Conservative benches. Perhaps later in this discussion one of my colleagues may have something to say about it.

I should like to support the suggestion made by the hon. member for Cariboo that consideration be given to the elimination of this charge for travelling on the trans-Canada highway through national parks. I know a great many people who are interested in the new through route between Calgary and Vancouver, and who are not planning to visit the park, do find this charge a bit of an imposition. In fact, we have created a toll road over part of the trans-Canada highway as a result of this arrangement in respect of our national parks.

At the outset of my remarks, I should like to say that, in some ways, I have enjoyed the approach which has been taken in the house by our new Minister of Public Works. I cannot say that I shall do my best to see he occupies that post for the next 20 years, as he indicated he might wish to do. Certainly during the time he does occupy that post, I shall do my best as a member who has a considerable interest in the activities of his department to assist him in the proper discharge of his duties. At this particular stage in our discussion, perhaps it would not be amiss if the work done in this department by the person who occupied the post of deputy minister for quite a number of years was mentioned. Those of us who had dealings over a period of time with Major General Young appreciate some of the efforts he made for us in attempting to streamline and modernize the federal Department of Public Works. I felt that that contribution of his should not go unnoted in this discussion.

While I applaud the minister for being fairly forthright in answering questions put to him across the floor, I must admit I was somewhat disappointed that in his opening statement he did not outline in more detail his concept of the role his department should be playing on the Canadian scene. He indicated that a year from now, if he is still occupying that portfolio, he will have more to say than he said tonight. This brought home to me very obviously that the famous 60 days of decision had not reached into the operations of the Department of Public Works, and perhaps in view of what happened in connection with one or two other ministers who were in the forefront during those 60 days, the minister may have been wise not to emphasize that type of role. Nevertheless I think it would have been useful to have had some statement from him regarding his department's activities in the future.

He did mention that we could anticipate some increase in the estimates for his department next year; but if his idea of a heavy increase does not extend much further than the suggestions he made tonight when he was outlining the additions to and deletions from the program of his department, then his concept of the role of his department leaves a great deal to be desired.

I notice, in the most recent annual report of the department, that for the fiscal year ended March 31, 1962, which of course was transmitted to us under the signature of the Hon. E. Davie Fulton, a former minister, it shows the 1961-62 program of expenditures was somewhat smaller than that of the preceding year. The figures were $174,256,000 in 1961-62 as compared with $190,842,000 for the fiscal year 1960-61. Compared with the figures which the minister gave tonight, and taking into account his deletions and additions, I make the figure for this year $172,-300,000, an increase of $6.3 million over last year; and considering that our population is growing year by year, this leaves us a number of millions of dollars behind the expenditure for the fiscal year 1960-61.

This suggests that the government has not as yet given any indication that it is doing something about the former Conservative so-called austerity program in the field of operations of the Department of Public Works. This is a serious lack in the policies of the government, and should be remedied.

I feel the concept of a federal department of public works should be something more than what is referred to in the last annual report, which as I said was issued under the Conservative regime, as "a construction agency for the federal government." In my view, and I think I can say in the view of the New Democratic party, this department should be an economic instrument, something which will be an active agency spearheading the economic growth of Canada; something that will act in concert with the general level of industrial and other economic activity to ensure that Canada continues to move forward at a steady pace from year to year, and on a scale commensurate with taking up the slack which exists today, and has existed over a number of years, in the field of employment. That is the sort of concept which was completely lacking in anything the minister said tonight when introducing these estimates.

I hope that between now and this time next year he will give some consideration to spearheading that kind of role for his department. If he wants to remain Minister of Public Works for the next 20 years I can think of no

better way in which he might achieve that objective than to put his department in the forefront of activities of the federal government, instead of allowing it to continue as it has been, as a sort of caretaker, back door operation. In that way it could initiate projects which I and a lot of my constituents feel it should tackle.

I can only assume that the situation which was so evident in my constituency as a result of the so-called austerity program, was something which appeared all across Canada. Even in the operations of the harbours and rivers engineering branch of the department, projects in British Columbia were slashed to a point beyond all recognition; and I would point out that even before this slashing took place there was a crying need for the early construction of many projects and the provision of many public services up and down the coastal area of British Columbia.

I shall not outline them all tonight as the minister has been getting letters from me giving the details. However I mention them for two reasons. The first is that even within the present very limited concept of the operations of the department, the government has not taken any step to restore the level of public works to what it was in 1960-61. Second, because the government has not done this, it clearly indicates that the minister is not proposing an active, dynamic role for the functioning of his department which, on the one hand, will provide the kind of public services and facilities that the people of Canada need, and on the other hand and correlated with it, operate in our economy as something to create a balance between needs and employment. By operating in that way it could bring an end to the scourge of unemployment, to which hon. members have made reference, but without providing any practical suggestions for achieving it.

Having read this last annual report put out under the signature of the Hon. E. Davie Fulton, it struck me as rather strange that those who spoke on behalf of the Conservative party carried on at such length, talking about programs of slum clearance and other projects which had not been undertaken. I am quite willing to concede that the new minister has not had time to initiate projects along those lines which, according to the hon. members who have spoken, were not undertaken in their constituencies during the previous regime. But I had hoped the minister would have given us some indication tonight that he had plans to put an end to the state of affairs which does exist, and on this I agree with other hon. members.

The hon. member for Cariboo mentioned the trans-Canada highway. There are one or two matters I would like to deal with in that connection and one or two questions I would like to raise with the minister. I wish to refer briefly, Mr. Chairman, to the last annual trans-Canada highway report. Apparently it came out a little later than the report of the department, because it bears the name of the present Minister of Public Works. On page 2 of the report I find these words:

> In 1960 it was again apparent that the completion of the highway would not be possible in some provinces during the construction period provided for in the existing agreements. A third amendment of the act in May, 1960 extended the construction period to December 31, 1963, and increased the aggregate amount that may be contributed by Canada to $400 million.

As I understand it, that is the position of the Trans-Canada Highway Act at the present time; in other words, the termination of the trans-Canada highway agreement will soon be reached, namely on December 31 of the current year. Yet on the next page of the report I find some detail as to the state of the trans-Canada highway at the time the report was prepared. It says:

> Considerable construction still remains to be done in the province of Newfoundland. There appears to be little possibility of construction being completed on the entire Newfoundland mileage before the end of the construction period provided for in the present agreements.

That is, by December 31 of this year:

> The province of Quebec has made an auspicious start on the construction of its section of the highway. Continuation of the work on a large scale during the 1962 and 1963 construction seasons will insure the completion of a high percentage of the highway mileage during these years. It is, however, unlikely that the construction of the entire mileage across the province can be completed before the termination date of the agreement.
>
> The province of Ontario is continuing with the work of reconstructing substandard sections of the highway. Although it appears unlikely that all substandard sections will be upgraded before December 31, 1963, there will be a continuous paved highway across the province by that date.

Those of us who have been in the house over a period of time realize that the Trans-Canada Highway Act expiry date has been extended on more than one occasion; that the original program of completion of the first trans-Canada highway by 1956 fell by the board long ago. But I think the statements in this report do call for some clear indication from the government as to whether before the end of this year we will have some legislation brought before parliament to again extend the period of the trans-Canada highway agreements, or whether these statements have been superseded by more recent developments and the trans-Canada highway will in fact be completed before the end of this year.

I think all of us agree that the construction of the first trans-Canada highway was a most important and valuable undertaking in this country. I think it is one of the things which will in future years, and more and more as the years go on, tend to assist the Canadian people from one end of this country to another to get to know one another better. I think perhaps no single construction project may in the long run tend to diminish some of the tensions that exist at the present time within the Canadian confederation more than the increasing use that will be made of this trans-Canada highway by travel-conscious Canadians. Therefore I would hope there is no question that this project will be continued to completion and that the necessary action will be taken by the government to achieve this end.

Mr. Deschatelets: Mr. Chairman, perhaps my hon. friend would permit me to make an observation at this point. In the supplementary estimates D, vote 178d—which vote is being added to the present estimates of my department—the hon. member will see that we are asking the house to extend the termination date of the Trans-Canada Highway Act from December 31, 1963, to December 31, 1967.

Mr. Barnett: Mr. Chairman, I understand the minister to say that there is an item of increased money in a supplementary estimate. Does that mean the construction program is to be accelerated so that the highway will be physically completed by that vote? Does he mean that the extension of this agreement can be achieved by the voting of an item in the estimates rather than by the introduction of an amending bill?

Mr. Deschatelets: If my hon. friend would permit me to say this, Mr. Chairman, the effect of voting item 178d—

Mr. Barnett: One dollar.

Mr. Deschatelets: —will be to amend the Trans-Canada Highway Act, which would terminate on December 31, 1963.

Mr. Lambert: It is a standard procedure; a $1 open door.

Mr. Barnett: I thank the minister for his explanation, but I find it a little puzzling that an act can be amended by the simple expediency of a vote in the estimates. However, that is the kind of question which, if it is to be discussed any further, I would prefer to have dealt with by my hon. friend from Winnipeg North Centre. It seems to me, offhand, to be a rather peculiar approach, and I do not think it was the one taken previously when I was in the house and the termination date was extended.

[Mr. Barnett.]

Mr. Deschatelets: Mr. Chairman, I have given the hon. member this information in order that he may be aware of the fact that we want to extend the Trans-Canada Highway Act beyond December 31, 1963. As I understood his remarks, the hon. member was inquiring as to what we were doing about this matter. I would suggest that when we reach this item we can discuss the way it will be done.

Mr. Lambert: The hon. member will be away.

Mr. Barnett: I wish to thank the minister for giving the committee, and myself in particular, this information at this time, Mr. Chairman, because I thought it was a matter that should be clarified and, in my view, the sooner the better. I am certainly happy the minister has indicated that the intention of the government is to make the necessary extension and provide the necessary financing required for the completion of the highway, because this enables me to go on to some other remarks that I wish to make.

I feel that the time has come when both this house and the minister should be looking beyond the completion of the first trans-Canada highway. I do hope that before the discussion of these estimates is concluded there can be an opportunity for some fairly full discussion of this whole matter. I should merely like to state briefly at this time that I feel the completion of the trans-Canada highway should be the beginning of a much broader concept of highway development in Canada. I should also like to say that I feel the program of highway development should be increasingly geared to the concept of a national transport policy which would include, in the consideration of the planning involved, our railway system, our air lines system and our coastal and inland water transportation system, so that the planning and development done would produce unified and co-ordinated transportation facilities for the use of the Canadian people as individuals and for commercial purposes. I recall that a number of years ago, under the administration of the previous Liberal government, action was taken in this house to relinquish federal jurisdiction over interprovincial trucking, I felt at that time, and I still feel, that that was a retrograde step as far as the development of an adequate transportation system and policy in Canada is concerned. I feel it was probably done at that time because the government of the day had not thought out the implication of highway building as a national need in the context of the current situation. I hope that we can push forward to the point where the resources of the whole nation will be behind

the development of a proper national highways program. I think that is certainly one of the areas of activity in which the people who live in the great country to the south of us have given us an example of what can be done. Within the limits of our smaller population and developed resources I think that Canada should long since have followed in the footsteps of that sort of program in a much more adequate way than we have in the undertaking of the single trans-Canada highway program.

I could relate this situation with respect to a highway policy to some of the things I have run into in the course of my travels in the coastal areas of British Columbia. One of the things in which I think the federal government has failed, be it a Liberal or Conservative administration, is in what in common parlance today is called doing a selling job of the highway program. I think this is because there has been this lack of a concept of a real national transportation policy which would have a unifying effect on the Canadian nation. The result of it, certainly in British Columbia, has been that, to put it bluntly, nearly all the credit for the building of the trans-Canada highway has been taken by the provincial administration. That situation may or may not prevail in other provinces to a greater or lesser degree, but we happen to have a minister of highways in British Columbia who is pretty fond of blowing his own horn and giving the impression that he is the only one in the whole country who knows anything about building highways. Because of the lack of understanding among the Canadian people, through lack of initiative by the Canadian government, of a national highway program, it has been possible for a great deal of misrepresentation of the situation to take place.

I think that nowhere has this been more evident than in the northern part of Vancouver island, where there has been a crying need for highway development for a number of years. I find there has been created there quite successfully and skilfully, the impression that the reason there is no highway through to the north end of Vancouver island is because the federal government decided that it would not build a trans-Canada highway to Cape Scott which is the northern tip of the island. I have had to waste a lot of my time trying to explain to people that basically the route of the trans-Canada highway was selected by the provincial authorities, and that it was the government of British Columbia which decided that the trans-Canada highway should run on Vancouver island from Nanaimo south to the city of Victoria. But that does not mean that there is no need for federal participation in a highway program, and this is one of the areas where a broad national policy could very well come into play.

The Chairman: Order. I am sorry but I must interrupt the hon. member as his time has expired.

Mr. Barnett: I have only a few remarks to make and, if you recall, Mr. Chairman, my remarks have not been continuous.

The Chairman: Has the hon. member unanimous consent to carry on?

Some hon. Members: Agreed.

Mr. Barnett: I was just about to say that the coastal area of British Columbia is one of the parts of Canada where the broader concept of a highway building program—and because it is a sea coast area, in conjunction with other means of transport—could very well come into play. I know that this same crying need exists in other parts of the country as well. I have listened to a lot of discussion about the need for the Yellowhead route through from Edmonton to the city of Prince Rupert, which is in the constitutency of my hon. friend from Skeena. One could go on, I am sure, and enumerate situations right across the country where it would be in the national interest that we develop this broader national highway concept.

There is only one other matter I wish to raise at this point. I should like some clarification from the minister before the estimates are concluded as to what the thinking of the present government is in respect to the establishment of federal buildings. I know that during the years I was out of the house a program was initiated to build federal buildings for the use of the Post Office Department in many of the smaller communities, where such had not been the case in previous years. I should like to know whether it is the intention of the present minister and his government to continue with that policy. I suppose that in most constituencies in Canada, outside of the large urban areas, this is quite an important question. I know of one or two communities in my constituency, such as Port Hardy for example, where there is urgent need of better postal facilities, and where the department has previously acquired property which is not presently, or as far as I know, within the plans of the department for use for the erection of such a building. I think it is important that this matter should be clearly stated as a matter of policy on the part of the present government, in view of the fact that in this particular area there was undoubtedly a change of policy by the former

Conservative government in relation to the policy pursued by the previous Liberal administration.

With that, Mr. Chairman, I will conclude my remarks at this stage of the discussion.

Mr. Cashin: The Department of Public Works is, of course, familiar with the district of St. John's West, and the district of St. John's West with the Department of Public Works. I did not think I could let this opportunity pass without making a few comments, while the estimates of the department were before us, because this particular department has a great role to play not only in the district of St. John's West but in all of Newfoundland.

The previous speaker suggested that the federal government had perhaps not done a good selling job vis-à-vis the credit involved in the construction of the trans-Canada highway. I might say that until a few months ago this was an academic question in Newfoundland because the federal government was paying 50 per cent of the cost, and while this arrangement existed it would be some time before Newfoundland would ever enjoy this highway. We are pleased to note that the new government has taken action in this direction and we hope that in the near future the trans-Canada highway will be completed.

However, the role of this department as far as Newfoundland is concerned, and as far as St. John's West is concerned, means more than the building of the trans-Canada highway. I thought there was a good deal of merit in some of the suggestions made by the hon. member for Comox-Alberni regarding the attitude, or philosophy, or approach he would like to see taken by the Department of Public Works. I would like to take this opportunity of saying that over the past year I have had considerable contact with the department and its officials both in St. John's and in Ottawa and from my encounters with them, I am pleased to say, it seems clear that they do have these things at heart. Although at times we might disagree about some of the things they may be doing, all in all the relationship has been satisfactory.

I think it would be wrong at this time to enter upon a debate on this issue, but we take note of the fact that the estimates before the committee, those compiled by the previous administration, were, unfortunately, affected by the austerity program. Hon. members from British Columbia recalled that their province suffered as a result of that program and the same is true, I suppose, of all ten provinces. It is certainly true of Newfoundland.

The Department of Public Works has a role to play in the economic growth of the province I am happy to represent. Decisions to undertake harbour improvements such as the building of wharves or breakwaters in fishing communities undoubtedly add to the wealth of those communities and make it easier for the fishermen to fish. Over the past 14 years a number of noteworthy improvements have been made. We were encouraged by the remarks the minister made in opening this discussion. What is of great importance to us is that in future estimates a larger amount of money should be made available for such projects as I have mentioned. Expenditure of this sort could be justified on many grounds.

I might say that in the district of St. John's West, which is, in fact, two thirds an urban riding, there are 61 or 62 communities. I tried to total them up before rising to speak. There are 61 or 62 harbours in the district. The population in some of these places is small but it is clear that here we find the basic economy of Newfoundland, because these people must make their living from the sea. A problem has arisen, inasmuch as in some of these smaller communities extensive harbour improvements or other public works are required at a cost which it is difficult to justify on purely economic grounds. Some effort has been made in the past—and I hope it may continue—to centralize these projects, that is to say, to provide facilities in one community which would be of benefit to neighbouring communities. Certainly, a great many people have advocated such an approach, and it is a laudable approach; but considerable difficulty is involved because when people have made their homes for generations in these smaller communities there are important sociological aspects to be considered, quite apart from the financial burdens on individuals who must go further before they can begin their work. My own impression is that efforts on the part of the government to proceed with centralized projects of this kind would meet with small progress.

The situation in Newfoundland is unique in many respects, particularly since our people are scattered along 6,000 miles of coast line in some thousand or more communities. They have settled in these communities and made a living there with varying degrees of success. One might say on seeing some of these communities: Why don't they move somewhere else? But when you enter the community and see the lives the people lead you would perhaps be reluctant to change them. Sometimes, in these smaller communities where there are fewer facilities than in many of the larger ports, the people are more successful in the fishing. The fact that

there may be only 50 fishermen does not particularly bother them. These people who engage in the fishing industry expect the government to pay some attention to their problems.

We have heard a great deal of discussion about the world fair in Montreal. It is difficult for people who want $10,000 or $12,000 to build a wharf which would be of immense value to them to read, with equanimity, that $18 million was voted for this, and $22 million for that. We may put forward all the economic arguments in the world, but in the last analysis, it is difficult to explain. But I do hope that the minister and the department are aware of this and I feel confident that they are. As I say, I am not debating the merits or demerits now, because this type of austerity program is over. However, I thought it was necessary to draw to the attention of the house and the minister—perhaps it did not need to be drawn to the minister's attention—the fact that this did set back the development of Newfoundland considerably, because it is only economically possible for the Department of Public Works to carry out two, three or four listed projects in a given area or along a good portion of the coast in one year. When we have had a year or two years in which the normal amount of spending on these smaller public works projects has been cut it sets back the economy, and at this time, with the renewed interest in the fisheries and with the interest of the Minister of Fisheries in the development of a national fishery policy, the Department of Public Works has a very important role to play in the development of the fishery in Newfoundland.

In essence I suppose what the situation really boils down to is that what is needed is a considerable increase in spending. There are those, of course, in the house who object for some reason or other and who feel that at this time we cannot spend too much on works of this type. However, I come back to the point raised by the hon. member for Comox-Alberni, that if we can look at these expenditures as economic investments in the community and in the province they can be justified. From my contacts with the officials of the department and the minister, I know they are very much aware of the situation. In my view the important need is that the government as a whole and the members of the House of Commons, who must vote on the estimates of this department, should be aware of the great role that this department can play, and that all of us realize that this sort of spending can help, particularly in ridings such as those represented by the two members from British Columbia who have spoken, and the ridings of Newfoundland where there are Canadians making their living in small communities. It is an investment in those people and in those communities because it can help them to improve their lot.

We can talk too much about centralization, because what kind of a country would Canada be if everybody lived in a city with approximately 100,000 people? We would all start to look alike, talk alike and walk alike and I think it would be a very boring country. One of the tremendous attractions of Canada is that it is a big country with many little communities scattered throughout the land, and while this may cause many problems for us I think we must recognize that if we develop these rural communities they will respond. Indeed, one of the responses may well be that some of those living in exceptionally small communities may realize that by going to a little larger community they may be able to improve their lot in life. If we show our willingness to develop I think they will cooperate with us. A thought has just occurred to me, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Cashin: I should say that a new thought has occurred to me, and it is one that required a little prompting before it did occur. I wish to note the fact that, now that we are discussing the nation's business, and now that I am trying to make clear the case of Newfoundland, there is not one member of the creditistes group present in the house to show any interest in my problems and the problems of the many people in the small communities of Newfoundland. I will certainly convey that fact to my friends in Newfoundland.

We have our problems too and they are many and varied. We are patient and we listen to other people's problems, and I hope we are not inflicting ourselves on you too much if as new Canadians we bring our problems forward. There are those who are not in the Social Credit group, under the leadership of the hon. member for Villeneuve, who are not interested in the problems of Newfoundland. There are others in other groups in the house who have made remarks indicating that they have little knowledge of our problems and do not really care. We know these things; but in life that has to be our lot one way or another, and we are prepared to cope with it.

As I say, I feel there must be an increase in the estimates of this department because in my view the economic effects thereof are sufficient justification. In my own district

there are four or five major harbour developments that are necessary. I know the department is very much aware of them and I hope that in the next few years these particularly important projects will be undertaken. I believe the net result will be a general improvement.

There are two particular votes that will come up later about which I should like to comment in passing, the dredging vote and the miscellaneous vote. In my opinion both of these votes should be increased because I find there is some difficulty from time to time in being able to get all the dredging done I should like to see done in the riding of St. John's West. The lack of this dredging causes great inconvenience to many of the fishermen in these small rural communities.

I have already drawn it to the attention of the minister but I should like to reiterate that if we increase the miscellaneous vote many of these small jobs that are not listed items could be performed and great progress could be made. I think it is unfortunate we had to have an austerity program because it hurt my district as it did many others.

Mr. Deschatelets: It is over now.

Mr. Cashin: The minister says it is over now. This is good news for St. John's West and Newfoundland generally.

Mr. Kindt: Mr. Chairman, I welcome the opportunity of putting a few questions and thoughts before the Minister of Public Works in relation to the highway development program.

An hon. Member: Louder.

Mr. Kindt: Are you hearing me over there, or was that a facetious remark? If so, I shall be glad to accommodate you.

An hon. Member: Be careful, we will not sell your wheat.

Mr. Kindt: We are not talking about wheat; we are talking about highways. The hon. member's facetious remark about wheat will be dealt with in due course when the estimates having to do with wheat and the Department of Agriculture are before the house.

To return to the subject of highways and highway development, a subject dear to my heart and to the hearts of the people I represent, we in the Crowsnest pass and that area extending from Medicine Hat through Pincher Creek, Cowley, Blairmore, Hillcrest, Coleman, Fernie and Nelson to Vancouver have been asking that No. 3 highway be made an alternate trans-Canada highway to No. 1. I am glad to see that the hon. member for Kootenay East is prepared to support me.

[Mr. Cashin.]

He represents the constituency to the west of me, and if there is one thing that the people are saying to him and also to me it is that the time is long past that the parliament of Canada should co-operate with the provinces to make highway No. 3 an alternate trans-Canada highway. I hope the Minister of Public Works is listening to me, because I am wondering why in the estimates now before us there is a $10 million cut in the highway appropriation to the provinces. I should like to ask the minister if, as a result of this $10 million cut, he was forced to forgo any consideration of a contribution towards making this No. 3 highway an alternative route to No. 1. What we need in southern Alberta and southern British Columbia is an all-weather highway, one which can be travelled in any month of the year without fear of being blocked by snowfalls or ice conditions. The only western route on which one can be sure of that is the one which I have described, branching off through Medicine Hat and going west through the Crowsnest pass.

Many years ago the people of the Crowsnest pass area felt that the No. 1 highway should go through the Crowsnest pass, through Nelson and on to Vancouver. However, vested interests in Calgary and Banff were successful in having the present route established. We have no quarrel with that. However, we do say that the alternative southern route should be established. I should like the Minister of Public Works, who is responsible for highways, to go out and visit the area. I shall be glad at any time to take him over that route, and I am sure the hon. member for Kootenay East would join with me. We would give him a first hand glimpse of that part of the country and give him an idea of the merit of my suggestion at this time.

This road has been black-topped most of the way by the provincial departments of highways. However, in order to bring the road up to federal standards, and in order to take care of the tourist traffic in that area, other work would be necessary. The tourist traffic is important to the people of that area, so it is important that an all-weather road be established for travellers who wish to go from the prairie provinces to Vancouver during the winter or any time of year, on business or for pleasure.

If I might finish my original thought, I should like the Minister of Public Works to visit that area. I know that he is new at his job and he cannot be expected to know everything about every corner of the country. Has the minister ever been to the west to familiarize himself with the conditions that exist there? He is nodding his head, indicating

that he has. I shall, therefore, expect action from him to make this No. 3 highway an alternate route for the people of that area. The chamber of commerce of the Crowsnest pass area has been able recently to obtain from the provincial government a promise to develop a provincial park in the area which has the greatest tourist attractions of any part of Canada. There is the Frank Slide, and beautiful scenery including Crowsnest mountain, and many other attractions in that area.

I notice that there has been $10 million cut from the appropriation and I am wondering if this government wants to curtail these important developments, or are they in financial difficulties and trying to balance their budget by making these cuts? I contend that this is no time to be giving consideration to reduction when such important matters for employment as the development of our highway system are being considered. A cut of $10 million at this time is quite unreasonable.

In closing, I want to say that the second largest industry in the Dominion of Canada is the tourist industry. We should like the Minister of Public Works to give earnest consideration to highway No. 3. When he is travelling in the west with us, I should like him to look at another proposed road from this route which goes through Red Rock canyon in Waterton Lakes park to Coleman in Crowsnest pass. A certain amount of work has been done on this route, but it has not been completed. We should like to have the minister come out and familiarize himself with this project. Above all, we shall look for action just as soon as possible and hope that construction will begin next summer.

Mr. Nasserden: I rise on a question of privilege, Mr. Chairman. A few minutes ago the hon. member for St. John's West was belabouring the committee because some members were absent tonight. He said they were not giving attention to the problems of Newfoundland. Yet, no sooner had he finished speaking than he left the chamber and he has remained absent since.

Mr. Hahn: I am just going to take two or three minutes of the committee's time to lay before it a rather personal feeling, a rather personal belief. Before I came to this parliament I was engaged in the business of constructing buildings. I have, therefore, some knowledge of the cost of structures. In pursuing that business, I built a number of buildings, some of which were of magnificent design and were inexpensive in costs, while others were very costly buildings but were atrocious. In travelling across the country, I have seen a number of public buildings of fine design. I have seen also some public buildings that are atrocious.

I understand that there are expenditures which are not covered by these estimates, but are located elsewhere in the estimates, which are devoted to trying to foster good design in all types of art. It seems to me that in the Department of Public Works we have an opportunity to couple together the business of providing accommodation with the ideal of leaving behind examples of good design. It seems to me that this is not only an opportunity for the department, but more than that, I consider it an obligation of the department. The structures we build today are going to be here long after many of us have gone. This will not happen accidentally. It will only happen if there is a conscious awareness on the part of the minister and his department that they have a dual responsibility.

I should like, therefore, to take this opportunity to urge the minister to impress upon his department the fact that when they create a structure they are creating more than just accommodation for people or a place to work. They are creating structures that are going to influence the environments in which they are located. I think the opportunity and obligation is there to make that influence a good one. I hope the minister and the department will be aware of this, will stress it, and so will leave in our communities structures for the people that come after us that are worthy examples of the best of our age.

Mr. Francis: Like the hon. member for Comox-Alberni, I will be absent from the house for some time and I would like to make one or two remarks tonight about some items that appear in the estimates of the Department of Public Works. I would remind the committee that the house does review the estimates of the national capital commission as part of the estimates of the Department of Public Works, and I am particularly anxious to make one or two comments on the program of capital development.

On page 466 of the estimates the accounting of the loans for the development of the national capital region is given, and there is a substantial improvement in the vote here. In particular this represents a program of development of the Le Breton flats area as part of a complex of government structures and over-all planning.

I also call the attention of the committee to the program for the acquisition of the green belt, which was initiated some years ago. It is being continued and I hope it will be completed soon. The officials responsible for the development of these programs have operated very closely in co-operation with the respective municipal authorities in the different municipalities involved, and I think there

has been very little criticism of the over-all programs. A great deal is being done here that the national capital and those who take part in the life of the national capital can justifiably praise.

The program of development of the green belt is a long term one, and I hope that within the next year it will be possible to complete, or substantially complete, the acquisition of a number of properties where there have been difficulties in arriving at agreement. The over-all program is one that is much to be commended.

I would also like to refer to the vote for development of the national capital area. This shows an increase of something in excess of $3 million in the building program, and in many cases this has been long overdue. Those who visit our national capital and look at temporary structures that were erected, in some cases over 20 years ago, recognize this is a program which has to be accelerated. In spite of the difficult circumstances of the present budget a great deal is being done in this connection.

One matter about which I, as a local representative, am very pleased, is the approach which the minister himself has shown in the development of a number of major projects in the area. For example I am thinking of the general assurances which the city of Ottawa recently received from the government. I am also thinking of the proposed Heron road-Base Line road bridge, which is very necessary for the complete development of the complex of government buildings at Confederation heights. This is one project which is of very great importance to the area which I represent, and it is a project which should have been resolved long before now. I give full marks to the minister for facing the problem squarely and making forthright recommendations which give the municipal authorities a basis on which to proceed. I might add that the package is much bigger than that, and includes the Smyth road bridge and some assistance for the overpass structure.

The minister has provided some general outline of policy which the municipal authorities can count on in future years in planning an orderly development of their municipal public works as part of a national capital program. This is a great step forward, and on behalf of a number of people who have been associated with these matters, I wish to express their thanks for the appreciation, sympathy and understanding which the minister has shown in these projects. I know the municipal authorities concerned will recognize a considerable improvement in the situation over that which prevailed previously.

[Mr. Francis.]

Mr. Cashin: Mr. Chairman, I rise on a question of privilege. It has been brought to my attention that some hon. member commented on my absence from the chamber. I was on the phone talking to a friend of mine in Quebec and he assured me that, although there were no members of the group under the leadership of the hon. member for Villeneuve showing an interest in the province of Newfoundland, that did not mean there were many Quebecers who were not interested in my province's problems. That explains my brief absence from the chamber.

Mr. Lambert: In my opening remarks may I say that the minister will be immeasurably assisted in his duties this year in having recently been fortunate in the appointment of his new deputy minister, who worked with me for a brief period when I was with the Department of Veterans Affairs. Having said that, I now come to deal with the estimates under discussion.

The usual aim of the debate on the estimates of the Department of Public Works is to encourage the minister to spend more money. That may be correct, provided it is directed towards the provision of useful projects within the constituencies represented by hon. members, and also on a general basis; but I do think there comes a time when we must assess the whole question of the provision of public buildings to see if we are not getting to the point where we are establishing a series of monuments of bricks and mortar to the memory of a series of successive ministers.

I feel that for the size of our nation, and with the expansion which has taken place in the post-war years, we have reached a point in the provision of government capital structures that will be sufficient for our needs for many years to come. It is true there is a great deal of replacement, particularly in some of the smaller towns and villages, where postal facilities and other types of smaller buildings must be renewed or enlarged. However, when it comes to the question of great, large buildings, we find that from one end of the country to the other there is a decreasing need for the provision of these great monuments, particularly at a cost to the crown.

I have been wondering just how intense a study has been made of lease-backs by the crown, where buildings are put up by interested individuals to the specifications of the crown or the principal tenants, and then leased back over a period of years. I wonder whether this would not be a less expensive way of providing the crown in Canada with

its necessary public buildings. I am not speaking of hospitals, but of offices.

I think there might be introduced a degree of flexibility into our system of property holdings. This degree of flexibility does not exist at present. I am sure some study has been made of it but I would be interested to knew if a really intensive study has been made and what has been the result. This could apply to other government departments that own buildings. While I am dealing with the question of large government buildings, Mr. Chairman, I would bring this matter to the attention of the minister. I am not aware of the immediate policy of his department with regard to the provision of really modern buildings with proper facilities, including air conditioning, but this is a point that deserves serious consideration. Some people may say air conditioning is a frill, but I say to you, Mr. Chairman, and through you to the minister, that in a city such as Ottawa, which in the summer time has a climatic condition that very often leads heads of departments to dismiss their staffs early in the day, or where staffs are only operating at 65 per cent or 75 per cent efficiency, to ignore this question of installing air conditioning in government buildings is cheese-paring. It is more than cheese-paring: it is a wrong policy not to provide this facility. These buildings should be provided with general air conditioning.

It is true that the minister is bound by certain treasury regulations in this regard, but surely he can bring his influence to bear on this problem and do something about it. If other ministers in the chamber also hear these words I would ask them to also consider this matter. It is all very well for the minister, who may introduce air conditioning into his office, in the office of his deputy minister and down to a certain level; but the ordinary working staff should be given equal consideration in this respect. We have in this city temporary buildings that will continue to be occupied for another 10 or 15 years, and they are actually hells in which to work during the summertime. These temporary buildings are costly to maintain. In wintertime they are inefficiently heated. There is no means of controlling the climatic conditions which prevail in this city. I am sure that in the long run we would obtain a much greater return per employee in the way of more efficient work and less absenteeism as a result of sickness if facilities were provided which would to some extent offset the climatic conditions which prevail here.

Frankly, Mr. Chairman, it has been beyond my comprehension that we have continued with this sort of prehistoric policy for so many years. We know that commercial firms in cities such as Ottawa, Montreal and Toronto instal either a complete air conditioning system or modified air conditioning in their buildings. Why do they do it? They do it because they realize it is not just a question of personal comfort but it brings a greater return in work efficiency on the part of their employees. This is not the first time I have spoken about this matter. Perhaps, Mr. Chairman, one of the reasons I have not much hair on the top of my head is that I have been butting it against a blank wall in this regard. But I will come back to this plea time and time again. I will leave the matter there, Mr. Chairman.

I would refer to another matter about which I have spoken a number of times and which was instituted a couple of years ago. I would like the minister to give us an estimate of how it has worked out. I refer to the requirement of time and material payment bonds on major contracts. There have been many unhappy experiences in this regard, particularly in the Department of Transport —I will not deal with the particular instance —and if there had been time and material payment bonds not only would we have had a faster completion of jobs but a great many subcontractors and suppliers, who in some cases went into bankruptcy because of incompletion of a contract or because of improper operation on the part of the prime contractor, would have been paid.

A great deal has been said about a second trans-Canada route. Some people advocate one route, others advocate another. We would like to know from the minister what progress has been made with respect to the conference that he indicated he was convening, or trying to convene, with the various ministers of highways of the provinces with regard to a national highways system. Whether it be known by the name of confederation routes or whether the highways be primarily north and south routes, it seems to me we must evolve a national highway policy as part of a national transportation policy. This will take a great deal of negotiation and I know the banks and certain people will bristle when I say this, but I am of the opinion that this is one of the problems we must not only face, but solve, before we can achieve ultimate development in this country.

I have another matter to which I would draw the attention of the minister. I ask him whether he has available the information that his colleagues the Minister of Labour, and the Secretary of State, and himself, were asked to provide last July when the house

was asked to pass supplementary estimates "C" under which an item of the Department of Finance, No. 50b, was to be increased by some $7 million. This item concerned projects that were on the shelf and were to be accelerated. They were small projects which would assist in providing employment in the winter. The minister should now have the information on this question. If these projects are not well on the way or on the point of starting, they will not be of any use in this program.

The last matter to which I wish to refer, Mr. Chairman, in these brief opening remarks is the question of the national war memorial on Nepean point. I ask the minister to give us the reasons for there having been a reversal of the twice announced decision within the last year with regard to this question. There may be some technical reason which the minister may be able to advance to explain this. I do not think his colleague the Minister of Veterans Affairs would have been a willing party to such a decision. I am not going to advert to any division of cabinet in this regard, but knowing something of the background of this project, and having participated last February in a renewal of the decision that had been reached by the administration formed by my hon. friends opposite in 1956, I believe, or thereabouts, that this was going to be done, I would ask why there has been this reversal. I am not necessarily quarrelling with the decision and saying it is wrong, but I want to know why it was changed. Perhaps the minister will be able to furnish us with an answer. I can promise his colleague the Minister of Veterans Affairs that, should he appear before the committee on veterans affairs, we will obtain complete details in this regard. Mr. Chairman, I would hope the various suggestions put forward by hon. members on this first item of the estimates of the minister's department will be given serious consideration. We will deal with other questions when we obtain complete answers from the minister.

I do not think the Minister of Public Works should operate some sort of great big pork barrel, and in all seriousness I would warn him against even the minor type of patronage, which always has a habit of being found out.

I had forgotten to ask one question which always bothered me, and that is the formula by which the minister's staff, in consultation with post office officials, determine the size of a new post office. This formula seems to have antiquity as its main characteristic, and it is my own personal experience that, no sooner does one get a post office built according to this formula in a town which has a normal, healthy growth, than within two years we are belabouring the minister to have an expansion because the walls are just not made of rubber and we need far more space than was initially provided, and I think at far too great a cost. With those remarks, Mr. Chairman, I will call it a day on this item.

Mr. Munro: Might I ask the hon. gentleman a question. Did he express these fine sentiments about the Department of Public Works when they built what I understand was a $14 million trade school in the Edmonton area? This was under the previous administration.

Mr. Lambert: If you will learn the facts you will understand that this school was built by the province of Alberta as a result of a decision by the province of Alberta to implement part of its program. The federal government had nothing to do with it, except the provision under its program of 75 per cent of a program that applied to every other part of the country. When it comes down to it, if the hon. gentleman wishes to know other things—

Mr. Munro: The hon. member has answered my question.

Mr. Lambert: —about the constituency of Edmonton West, may I also say that almost a like amount was spent by the public within separate school boards in that constituency to provide vocational training, with the result that the constituency of Edmonton West benefited from the extension of educational facilities to the tune of almost $13 million.

Mr. Howard: Mr. Chairman, not belonging to either the Liberal or Conservative party, naturally I cannot become engaged in a conversation about pork barrels or patronage.

Mr. Lambert: You do not live in Saskatchewan.

Mr. Howard: No, and I do not live in Alberta either. Thank God I am not attached to the Conservative party, as is my hon. friend from Edmonton West.

I listened with interest to the initial remarks of the Minister of Public Works, as I am sure other members of the committee did, but I regret very much that the approach he has taken is one of: Give me the money to spend this year; next year I will tell you what the policy is. It is regrettable that a new government, one which sat in opposition for some four to five years, and repented during those years for what had happened in its term of office prior thereto, is not able during the period they are in government again to come up with a simple declaratory policy with respect to the manner in which the public works department will fit within

the economy of the country and the structure of government. But perhaps all we have to do—because this is the statement of the minister—is to wait until next year to see whether or not he is able to come up with a policy with respect to the action and attitude of the public works department which differs in any way from that which has been in existence for some years now.

During the time the minister was a private member he and I, at the other end of this chamber, sat with just a few seats between us. We became friends of sorts, and I was sure that that friendship would carry over, inasmuch as he is now a minister, and that it might have some bearing on public works projects in the riding of Skeena which might be borderline projects, whether they would be instituted in one year or the next.

An hon. Member: What about the pork barrel?

Mr. Howard: I do not want to get into the pork barrel; I just want the minister to get into British Columbia and to concern himself with northern British Columbia. Perhaps friendship of a personal nature should not be the basis on which projects of public works should be considered; in any event it has no validity in the relationship now, because the minister, as an interjection to his comrade in arms from St. John's West, said that austerity was over. We need have no worries anyway, because apparently the minister now has a bottomless barrel from which to draw sheafs of money to engage in public works projects all over the nation.

Mr. Fisher: And in Newfoundland.

Mr. Howard: Yes, and in Newfoundland, there is no question about that.

I should like to relate to the minister some of the things which need to be done in northern British Columbia. To be a little parochial about it, I should like the minister to come out to that part of the country and spend some time there seeing the country, meeting the people, and seeing at first hand the situations which exist. Because as the old Chinese expression goes, one look is worth a thousand reports any day. The minister's predecessor visited the riding, but that visit coincided with an election which took place. I should like the minister to come when there is no election in the offing so that there is not any doubt as to why he is there. But in case the minister does not get the chance to come out—

Mr. Deschatelets: I will do that.

Mr. Howard: The minister says he will go, and I certainly appreciate it because I should like to be his chauffeur by car, by boat, by airplane, or by dog sled if necessary to get him into the various parts of the constituency so that he can see just what exists there. I have written a number of letters to the minister and his predecessor, Mr. Chairman, about this wonderful part of the country, northern British Columbia. What I should like to do, inasmuch as the minister has now agreed to visit us, is to place on record some of the things in the coastal area at which I should like him to look seriously, from the point of view of my doing some initial work on them, so that when he does come he can see these projects in process of being built.

I should like to start him off in the community of Stewart, which is at the moment a relatively small community of a few hundreds of population. It is, or will be, the southern terminus of the so-called Stewart-Cassiar road being financed partially by another department of the federal government under the so-called roads to resources program. Even though the Minister of Northern Affairs and National Resources said in Prince Rupert a few weeks ago that he was not going to put any more money into the Stewart-Cassiar road, if he has not already changed his mind I am sure he will on reflection. In any event, Stewart is going to be the southern terminus of that highway, and will be the most northern deep sea shipping port for the entire 400 to 500 miles of British Columbia, which is presently bounded by the Alaska Panhandle international channel.

Mr. Laing: I know the hon. member would not wish to misquote me. What I said in Prince Rupert was that under the roads to resources program the entire $7.5 million of federal funds allocated to British Columbia had been apportioned to the Stewart-Cassiar road. I recall the minister of mines told me that the $7.5 million had all been spent. This was a ten year agreement, and the money has been spent in four or five years. The hon. member asked me about further funds. I did not say we would not spend any more money on this road. I said the money allocated had been entirely spent, according to the minister of mines of British Columbia.

Mr. Howard: One thing which the minister of northern affairs should realize is that this was not a ten year agreement; it was a five year agreement. The agreement was to spend $3 million a year divided equally between the federal and provincial governments for a period of five years. That is the situation with respect to the agreement. In any event it is immaterial at this juncture. I am sure the minister, upon reflection, will realize the necessity of renegotiating the agreement or of putting up additional federal money for

this particular road, so that it can be completed, and the entire north country opened up.

Stewart, inasmuch as it will be the shipping port of this area of British Columbia once the road is built, needs serious attention on the part of the Department of Public Works with a view to the provision of adequate shipping, storage, wharf and docking facilities at the head of the Portland canal. I should like to ask the minister to consider seriously developing this port to the point where there is adequate shipping to serve the needs of this part of the country to the north of Stewart.

Next, is the Indian village of Kincolith at the mouth of the Nass river. It is true there is some responsibility involved here on the part of the Indian affairs branch. This village requires both adequate dock facilities for the steamer when it calls and some sort of roadway or board walk as far up the river as the steamer cannot get into the village. We have had some correspondence with the minister's predecessor about this from time to time. I should like him to reopen the file and take another look at this request.

At the community of Port Simpson, south from there, the department built floats a few years ago but there has been a campaign to get a breakwater built there. I understand there are plans on foot to construct such a breakwater, and if that is so the people of Port Simpson will be thankful. I hope the breakwater when it is built will be an adequate one.

Further south, running into the harbour of Prince Rupert, some dredging was done by the department a few years ago across what is known as the Metlakatla bar. We had a great deal of trouble convincing the department that it should undertake the dredging of this channel. Finally, the work was done, but the channel is silting up. What is required, I think, is redredging and the provision of a concrete structure of some sort under water to make sure there is continuous channel which does not silt up because of the tide and the wind.

There is another community along the coast, small in population, but situated in a very beautiful place. The people there are of the pioneer type deserving of more concern than has been shown them by the department in years past. I refer to the community of Oona River. It is true this would be a costly item but I suggest the department should construct a suitable harbour on the south of the river and develop a breakwater there. I should like the department to reopen its file on this matter, too, since I consider it an important one.

Mr. Munro: Just about $50 million now.

Mr. Howard: The minister told us he had a bottomless barrel from which he could get all sorts of money.

Mr. Munro: Not a pork barrel. The hon. member said he did not believe in a pork barrel when he began his remarks.

Mr. Howard: The minister did not say it was a pork barrel. It is a money barrel, and I am interested in getting some money out of it to look after these much needed improvements.

There is the Indian village of Hartley Bay, an isolated place some distance from the settled community of Prince Rupert. There is a breakwater of sorts there consisting of some floating logs which are anchored and which are supposed to break up the swell and waves when a storm breaks. This community is wide open to Hecate strait and, in fact, to the whole Pacific ocean in a southeast gale, and the people who live there have a hard time trying to protect their boats. I should like the minister to look at this situation from the point of view of dredging out in the bay and establishing a suitable breakwater, so that the people of this village can get adequate protection for their fishing boats during storms, particularly in the fall and spring months.

In the Indian village of Kitamaat there is also a need to establish a breakwater. I might add that these communities are populated primarily by people engaged in the fishing industry. The problem is to find protection for the fishing boats which have to be tied up. Kitamaat is at the head of a long channel, the Douglas channel, and directly in the path of any southeast gale. There is a great need to build, at or near this village, a breakwater to protect the fishing boats of those who live in this community.

Just across the bay is the smelter city of Kitimat which was established a few years ago. Unfortunately it is almost entirely under the control of the Aluminum Company of Canada. I suggest that what the federal government must do is establish a government dock there and an assembly wharf so that Kitimat can be turned into a deep sea shipping port, perhaps a lumber assembly wharf. Some steps must be taken to serve the public need in that area; it should not be left under the control of one concern as it is now.

In the municipality of the village of Terrace, a federal building was put up a few years ago. The situation here is identical with that mentioned by the hon. member for Edmonton West a few minutes ago. The

building was too small from the day it was built and an extension is badly needed. Terrace is one of the fastest growing communities in the whole north country. The population is expanding by leaps and bounds. The facilities provided by the federal building are just not adequate to serve even the existing population. I think an intensive study must be made both of this and other work which should be undertaken there.

In Prince Rupert, in 1926, a grain elevator was built, designed with the possibility of duplication through the addition of facilities equal to those originally provided. The need for elevator space exists today even more than it did then. We are in the midst of making huge grain exports. Therefore we should take advantage of the government elevator at Prince Rupert. I understand that to double the capacity of the elevator at Prince Rupert the cost would be somewhere in the neighbourhood of $1.25 a bushel of storage capacity, which would bring the total cost to $1,500,000 or $2 million. This project is necessary and we would like to see it undertaken.

In the few minutes at my disposal perhaps I can vicariously take the minister to the jewel of the north Pacific coast, the Queen Charlotte islands. Here too we have people who primarily follow the fishing industry, who have quite a large investment in fishing boats and who need breakwaters, wharves and floats adequate to serve their requirements and to protect their investment. In the area between Queen Charlotte city and the Skidegate thousands and thousands of dollars have been invested by the people in fishing boats, and in the whole area there is not a breakwater of any sort behind which they can shelter in case of a storm. Boats have been lost regularly year after year. I know that the minister's department, before he came to office and even recently, has undertaken studies and surveys of the situation. It may be a costly project. It may be that the bottom in the inlet is not suitable for rock breakwaters. It may be it is just a lot of muck and ooze with no really solid bottom to it, but I am sure that somewhere in that area a suitable bottom and a sufficient amount of rock can be found to build a breakwater to protect the investment in fishing boats of the people who live there.

Queen Charlotte city is the site of the only hospital on the Queen Charlotte islands. It is also the site of the R.C.M.P. detachment and people use it as a communications centre and for everything else. There are no adequate wharf facilities there. There are no adequate aeroplane float facilities and there certainly is no breakwater of any sort to protect boats. I think what is required is something more than the investigations that have been undertaken in the past.

There is also the matter of redredging Skidegate narrows which were dredged seven, eight or ten years ago. I know this project is under study by the department because I have had correspondence with the minister about it. But the study needs to be intensified because this is a most necessary public project requiring to be carried out on the Queen Charlotte islands.

The small community of Port Clements is where the road serving the MacMillan and Bloedel Powell River camp at Juskatla begins. There is a need to rebuild the wharf and the shed at the end of the wharf at Port Clements. This project has been under study by the department for three or four years but so far nothing has been done. This is a small item in the millions of dollars the minister has at his disposal and in the millions of dollars that are spent by the public works officials, but it is most necessary and vitally important to the people who live in that area and who are served by that particular wharf and shed.

Up at Masset we would like the minister to put some money into redredging what is known locally as the Delkatla slough. This was dredged a few years ago but unfortunately, because of the manner in which it was dredged, the wind has blown some of the sand back into the basin. There is also a tidewater slough behind it and every time the tide runs out it brings down silt and muck and deposits it in the Delkatla basin. We would like to have that redredged. The provincial government is at present building a causeway there. I do not know whether the Department of Public Works is participating in that project but I think it certainly should from the point of view of assuring that the basin will not resilt every time the tide runs out of the slough, and so that there will be some guarantee that when it is dredged it will stay that way.

A few years ago we were able to get the department to do some dredging at a place called Wiah point or Seven Mile point. This is the site of the Prince Rupert fisherman's co-operative fishing camp. It is a small place but it is almost the only haven along the whole north coast of the Queen Charlotte islands where these people troll for salmon. I am thankful and the fishermen are thankful for the dredging that has been done, but there are often strong northeaster winds and it is necessary to have a rock breakwater on a reef that runs out just above Wiah point.

We would like this project to be undertaken as well.

I know that there are only a few minutes left until 10.30. I have some other thoughts to express with regard to federal buildings generally within the riding, and the trans-Canada highway. I know that members generally do not like to start on a subject and after two or three minutes have to interrupt themselves and resume on another day. I do not like to do so either. If it is agreeable to the committee perhaps I could call it 10.30 now, or I could spend the next couple of minutes talking about the necessity of a second trans-Canada highway from Prince George to Prince Rupert.

The Deputy Chairman: Is it agreed that we call it 10.30?

Some hon. Members: Agreed.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: Could I ask the acting house leader what the business will be for next week in so far as he can go?

Mr. McIlraith: On the first two days of the week we will have a supply motion. Presumably the motion having to do with concurrence in the report on the standing committee on privileges and elections will be dealt with very quickly on Monday, I hope. I am sorry that I cannot go beyond Tuesday.

At 10.30 p.m. the house adjourned, without question put.

HOUSE OF COMMONS

Monday, October 21, 1963

The house met at 2.30 p.m.

PRIVILEGE

MR. HERRIDGE—CONTRADICTION OF STATEMENT MADE IN HOUSE

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I rise on a question which affects a fundamental privilege of this house and its members. This privilege is the absolute right of a member to make a statement in the house and not to have its truth impeached or questioned in any place outside the house. I refer to Beauchesne, fourth edition, citation 117, which reads as follows:

(1) The privilege of freedom of speech enjoyed by members of parliament is in truth the privilege of their constituents.

(2) Freedom of speech is declared by the Bill of Rights in the following terms: "That the freedom of speech and debates or proceedings in parliament ought not to be impeached or questioned in any court or place out of parliament."

On October 16, 1963, I asked the following question of the Prime Minister, as reported at page 3632 of *Hansard*:

I ask the Prime Minister whether, in the spirit of fair play, he can inform the house as to the nature of the business which the Minister of Agriculture and his alter ego, the expectant Minister without Portfolio, considered so much more important than the debate and the votes on agricultural policy that they found it necessary to be absent for such a considerable time during the debate yesterday.

The Prime Minister replied as follows:

The Minister of Agriculture and his associate, having taken part in this debate on agriculture, left the house to attend engagements previously undertaken for the Minister of Agriculture with farmers of Canada in the west. They got in touch with the grass roots while the hon. member remained in the house.

On Thursday, October 17, 1963 a newspaper, the Oakville daily *Journal Record*, impeached the answer of the Prime Minister in the following words:

The daily *Journal Record* learned late today that agriculture minister Harry Hays was working an auction in Kingston when absent from parliament on Tuesday.

Prices of up to $1,000 were realized at the cattle sale conducted by Hays Farms Limited, formerly owned by Hays and now operated by his brother, Tom, of Oakville.

Hays auctioned at the second annual sale for Eastern Breeders Incorporated. A total of $25,135 changed hands.

He has earned up to $50,000 a year from auctioneering.

On Friday, October 18, 1963 the same newspaper repeated its impeachment in an editorial entitled "Hays was at Auction—His Place was in Ottawa". The concluding paragraph of this editorial reads as follows:

Meantime, we suggest again, if Harry Hays is to continue as Minister of Agriculture he keep to government business and keep out of the bull ring. Where public duty and public confidence is concerned, there should be no compromise.

I accepted, and I continue to accept, the truth of the Prime Minister's statement to me as a statement of fact, that is until it is proven or confessed to be untrue.

TRADE

BULGARIA—TABLING OF AGREEMENT AND LETTERS

Hon. Mitchell Sharp (Minister of Trade and Commerce): I beg leave, Mr. Speaker, to table two copies in English and in French of the trade agreement between the People's Republic of Bulgaria and Canada, signed at Ottawa on October 8, 1963, together with certain other letters signed at the same time and relating to that agreement.

PRIVILEGES AND ELECTIONS

MOTION FOR CONCURRENCE IN SECOND REPORT OF STANDING COMMITTEE

The house resumed from Friday, October 18, consideration of the motion of Mr. Caron for concurrence in the second report of the standing committee on privileges and elections.

Some hon. Members: Question.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I do not intend to take more than a very few minutes—

Some hon. Members: Hear, hear.

Mr. Pickersgill: —because I hope there is a general disposition in the house to settle this question and get on with the other business of the country. I think, however, since I who was not a member of the committee have spoken very briefly, I should say what it seems to me we are being asked to decide.

It seems to me that in the course of the debate so far three points have arisen, one of which is quite irrelevant to the report made by the committee, and that is the question of the allowance for a leader. I believe the Leader of the Opposition was quite

correct when he said that the law was made by parliament and that if there was any interpretation to be made of it, it would have to be made by the courts. I do not think the committee was seeking in any way to discuss that question at all, and I see no reason that I or anyone else should discuss it. I accept without qualification the statement made by the hon. member for Villeneuve that that was not a consideration at all in this matter, and that it should not be so regarded. Therefore I do not propose to say anything more about it.

The other two questions which it seems to me are involved in the report before the house are first, the order of seating of the various groups in this house who are not supporters of either my right hon. friend the Prime Minister or the Leader of the Opposition—

Mr. Hales: The right honourable.

Mr. Pickersgill: The Leader of the Opposition, the right hon. gentleman, the right hon. member for Prince Albert, the former prime minister; and I may say, sir, I would be the last person in the house to deny to the right hon. gentleman any title or honour which he has earned through his long service in public life.

The question of the order of seating is one that is dealt with in the report, and the other question that seems to have arisen, and perhaps deserves to have a word or two said about it, is the question of recognition of certain members as a group or a party. I confess I am not subtle enough to be able to tell the difference between a group and a party. In my view, since parliament does not know the words, since our law does not know either of the words, and since they have no official connotation in any way, it does not matter which one is used.

I remember the days when the hon. member for Burnaby-Coquitlam and most of those who now support him used to refer to their party as a movement and resented very much having it called a party. I always thought that was a kind of sanctimonious distinction without a difference, and I think the same is true of this question of groups and parties. I think if any four or five of us in the house are gathered together under one leader we can call ourselves a group or a party, and it is nobody else's business what we call ourselves in a free country, so long as we do not try to pass ourselves off as somebody else.

Now, sir, there are two possible ways in which this question could have been resolved, and the committee considered both of them. One was what I would call the historic, traditional and chronological method; that is to say, to look at the groups that are in the house and see which one had been around the longest and which had representation in parliament the longest and give it a priority, and then the one that had been next longest, and so on.

That has been followed. I have looked at some of the precedents, and it was followed invariably, as I said on Friday, from 1921 to 1962—

Some hon. Members: Oh, no.

Mr. Pickersgill: —without any exception. The other method was what I referred to perhaps a little disrespectfully as the numbers game, the numerical basis. That was never followed at all before 1962. Personally I think what was done in 1962 was a regrettable departure from precedent; but it was done, and that precedent was again accepted at the beginning of this parliament. These two proposals were considered by the committee. The committee recommended following one of them. The hon. member for Winnipeg North Centre introduced a motion into the house suggesting that the committee should be instructed to follow the other one, and the house decided by a majority not to follow that other course.

Having made that decision, it seems to me that alternative has been refused by the house itself. Therefore it could hardly be reopened in this session. If we were being pedantic—although I do not think anyone wants to be very pedantic about it—I would suggest the reason we are in this difficulty is precisely because we were following the numerical principle. If we had not been following the numerical principle, if we had stuck to the historical, traditional principle, no problem would have arisen at this particular time. Also there is this danger, if we should try to insist upon the numerical principle, that one can never tell when five of the sheep who now follow the hon. member for Burnaby-Coquitlam might stray away.

Some hon. Members: Oh, oh.

Mr. Pickersgill: If that happened we would have to have the musical chairs all over again, and it seems to me parliament has something more important to do than that. That problem would not have arisen if we had stuck to the historical, traditional or chronological principle. Therefore it seems to me there is every ground for supporting that principle. So far as the question of the recognition of groups is concerned—

Mr. Knowles: Mr. Speaker, would the hon. member permit a question? Would he tell us what position his party took when this matter was under discussion at the beginning of the

twenty fifth parliament and again at the beginning of this parliament?

Mr. Pickersgill: None, sir.

Some hon. Members: Oh, oh.

Mr. Pickersgill: This is a matter for the house. I think my right hon. friend the Prime Minister and I took no position on this matter whatsoever, and I do not think anyone was authorized to speak for the Liberal party on this kind of matter. But we have taken the view, as we have on this occasion too, sir, that every—

Mr. Martineau: Mr. Speaker, would the hon. member permit a question?

Mr. Pickersgill: Perhaps I could answer one question first. We have in this matter taken the view, as we have throughout, that the constitution of the house is the business of the house and it is not for the government to tell the house how it should be constituted. That is the position we have taken.

Mr. Martineau: Mr. Speaker, would the hon. member permit a question?

Mr. Pickersgill: Mr. Speaker, I am trying to speak in a consecutive way, and also briefly. If the hon. member's question is not answered when I have concluded, I will be glad to answer it. On the question of whether there is recognition of groups or parties—and, as I say, I cannot see the difference—on reading the report we see that it says "the members of the group under the leadership of Mr. Caouette". It seems to me this is a clear recognition of the fact that there is a group in this house under the leadership of the hon. member for Villeneuve (Mr. Caouette); that is recognized in the report itself.

The report also recognizes that apart from the supporters of the right hon. gentleman opposite there are two other groups in the house, and I think that is evident; we can all see that with our own eyes.

An hon. Member: Read paragraph 4.

Mr. Pickersgill: I will read paragraph 4. It says:

> That the question of the privileges to be enjoyed by the group under the leadership of Mr. Real Caouette be referred to the parliamentary counsel of the House of Commons for study and report to the Speaker.

I think the committee felt they had no useful advice to offer to Your Honour on this subject, and they probably felt—I am just surmising what they probably felt—that Your Honour and the house might get some advice from the parliamentary counsel. But it does seem to me that in a way this fourth part of the report has been superseded by the action which Your Honour has already taken. Your Honour has already recognized on one or two occasions, as a courtesy, the hon. member for Villeneuve.

Mr. Olson: On a point of order, each time Your Honour has given this recognition you have stated clearly that it should not be considered as a precedent.

Mr. Martineau: Every time Your Honour did recognize the group you said it was pending the report of the committee. What the Secretary of State is now arguing runs against his case.

Mr. Pickersgill: If I had been able to finish my sentence I think both hon. gentlemen would have been satisfied with what I was saying. I was about to say that Your Honour recognized the hon. member for Villeneuve as a courtesy pending any decision by the house. But I would point out that this is the only way in which hon. gentlemen on the other side of the house, apart from the Leader of the Opposition, who is an officer of the house, are ever given recognition. A certain recognition is given to ministers, especially to the Prime Minister as the real leader of the house. Apart from that, recognition is given as a courtesy, and solely as a courtesy. I do not see how it could be anything else unless we were fundamentally to alter the character of our parliament, which is divided into two sides with a government and an opposition. However, this recognition by courtesy has been given since 1921, and I think it is far too late to change the practice now. It does seem to me, Your Honour, that whether you seek the advice of parliamentary counsel or not, this is a matter which you will decide yourself in your own good time.

It seems to me that the committee has given further advice on two points; first, that there are, in addition to the official opposition, three discernible groups or parties in the house. The committee has recommended that these be seated in a certain order, and that order is based on the historical principle. Second, the committee has recognized, in paragraph 3 of its report, that those hon. members who follow the hon. member for Villeneuve are, in their own words, members of a group.

That is all this motion is about. That is all we are asked to decide. It is true there could be a great deal of argument about the order, but surely that argument was really settled when the motion of the hon. member for Winnipeg North Centre was defeated the other day, the motion proposing an alternative order.

There is no doubt whatever that when this parliament was constituted last May a group or party was recognized under the leadership of the hon. member for Red Deer. There

is a group in this house, obviously discernible, which supports the hon. member for Red Deer, so there can be no question that there is such a group. It seems to me, as the hon. member for Villeneuve has said and as, I believe, the hon. member for Lapointe also said the other day, that it is not for the Liberal party or the Conservative party or the New Democratic party to decide a question affecting the internal workings of the Social Credit party or its internal divisions or anything else. That is their business. It is not our business. I agree completely with that view.

Mr. Fisher: Sophist.

Mr. Pickersgill: I am speaking in the house, and the hon. member for Port Arthur can write it down. I am speaking for myself as one member of this house when I say that I do not think that is anybody's business except the members of that party. How they describe themselves is their business and not ours, but the order in which they sit has been made by the house a responsibility of the house. All we are being asked to decide is that, apart from the official opposition, there are three groups, and that they sit in a certain order. The only alternative order which has been suggested has been rejected by the house, so I respectfully suggest that it would be a wonderful idea now if we could have a vote, agree with the committee's report, and get on with the business of the country.

[*Translation*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, following the example set by the Secretary of State (Mr. Pickersgill), I shall be very brief. However, I have a few comments to make on his motion.

In the first place I must say that I was a member of the committee on privileges and elections to which the matter was referred. As the hon. member for Villeneuve (Mr. Caouette) knows quite well, I do not agree completely with his ideas, especially regarding monetary reform. I also entertain some doubts as to whether the group led by the hon. member for Villeneuve is actually a party in the traditional sense of the word.

I tried to set forth the difficulties which might crop up if the committee were to decide that the group headed by the hon. member for Villeneuve did constitute a political party.

As for me, I do not feel that the committee should be called upon to decide whether or not this is the case. However, this problem has been brought before the committee and the house. It must be recognized that the Ralliement des creditistes has actually broken off from the national Social Credit party. That is the first point. It must be recognized from the evidence in the house, that the group headed by the hon. member for Villeneuve is the larger one and that, on the other hand, having well established structures it has a right to be heard as a group. In addition, it seems to me that it is entitled to the privileges usually granted to a group.

That group is, after all, a physical entity, and must be assigned a specific seating space in the house. When the famous French poet Lamartine was elected deputy, he proclaimed he would like to be seated right under the ceiling. Unfortunately, that would not do in this house. That political group has a right to a material space in the house; it must be given a place.

That being said, it would seem to me that the only applicable criterion, which is both logical and consistent, is the numerical one. The hon. member for Villeneuve, and several other hon. members, have rightly pointed out that 13 is a larger number than 11. I feel there is no other principle which could guide the house in arriving at a fair and logical solution.

The Secretary of State has brought forth the argument of historical precedent. Even from this point of view I think that he is inconsistent in his argument. Indeed the principle of historical precedents has been abandoned for a number of years and is only taken up when there is a question of seating a group in the house, to determine its importance numerically. Moreover, if there is a question of seniority it should be kept in mind that the hon. member for Villeneuve, for whom I certainly hold no brief, was nevertheless, a member of this house from 1946 to 1949, and, as a matter of fact, for the riding of Pontiac which I am now representing. It is therefore clear that, in the Social Credit group, the hon. member for Villeneuve enjoys seniority.

For all those reasons I think that the house should not accept to concur in the report presented by the committee on privileges and elections, but that the house should rather refer the matter again to the committee for a new recommendation.

Moreover, it seems to me that the Secretary of State, who used to speak for freedom of speech, resorted to tactics which strangely resembled closure when, at about 4.20 last Friday, he moved the adjournment.

I hope that today he will not resort again to dilatory methods contrary to standing orders and to parliamentary tradition.

As the government, through his spokesmen the Secretary of State, as well as the parliamentary secretary to the Minister of

Northern Affairs and National Resources (Mr. Turner), very clearly stated its stand in the matter, it should now assume its responsibilities without passing them on to others, and put an end to this controversy, once and for all.

[*Text*]

Mr. Harold E. Winch (Vancouver East): Mr. Speaker, I rise on a question of privilege. It is one which I think is of the utmost importance, namely that the House of Commons should not be made into a complete farce. At this moment we are, according to the precedence of orders, discussing a motion having to do with the seating and recognition of members in the House of Commons. In view of the fact that the economy of Canada might be brought to a standstill at any time, and that we are facing a most important issue affecting the entire country arising out of the trusteeship legislation and the shipping of Canada being brought to a halt, I would ask that we do not make a farce of the parliament of Canada at this time by discussing seating or the recognition of groups in the House of Commons.

I ask the Prime Minister or the house leader whether the necessary motion cannot now be moved so the House of Commons can discuss immediately the question of the trusteeship legislation, our shipping and what has taken place. Surely the economy of Canada is of more importance than the seating of members in this house or the recognition of groups. I ask the Prime Minister to take the necessary action now.

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

Mr. Winch: Do you require a motion, Mr. Speaker?

Mr. Speaker: If the hon. member wishes a decision on the question of privilege he will have to end with a motion asking the house to decide one thing or the other.

Mr. Winch: Mr. Speaker, I would move that the present debate be adjourned and that we proceed to orders of the day.

Mr. Speaker: Naturally I have listened to the hon. member with the greatest of interest. The points raised are certainly most important but under the rules of the house I have to be satisfied that first there is a question of urgency and, second, that there is a basic question of privilege. I cannot come to that decision on the presentation made by the hon. member, and unless there is unanimous consent on the part of the house I must recognize the hon. member for Red Deer who stood up just before the hon. member spoke.

Mr. Winch: I ask for the unanimous consent of the house to proceed with other matters that are of the utmost importance to the economy of Canada.

Mr. Speaker: I should advise the hon. member for Vancouver East that he has the right to move an amendment that the motion be put now and that the house do proceed to orders of the day, but I do not see a question of privilege.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, on the question raised, surely nothing would be lost and much might be gained if we could dispose now of this matter which we have been debating for some days, and the best way to dispose of it is to vote. If the vote cannot be taken now, perhaps we could agree to have the vote taken within the next hour. I still think it would be desirable to get this matter disposed of as quickly as possible and then go on with the orders of the day and the business of the country.

Mr. Gregoire: Mr. Speaker—

Mr. Speaker: Does the hon. member for Red Deer wish the floor? He stood up twice.

Mr. Thompson: Mr. Speaker, if the house is ready for the question I will refrain from speaking, but if there is going to be a debate—

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I should like to make a suggestion to the Secretary of State. He has referred to some good points in the report, but there are others we cannot accept. It is not our intention to delay the business of the house, but on the other hand we would not like the house to commit an injustice. I should like to ask the Secretary of State if he would be agreeable to our presenting our amendment and then adjourning the debate for 24 hours to permit all members of the house to think about it. We could then take the vote on the amendment tomorrow and see the result.

Mr. Pickersgill: Mr. Speaker, if such a proposition were to be entertained it would seem to me, because of what the Prime Minister has said, that we would have to have an undertaking that there would be a vote on the amendment and a vote immediately thereafter on the main motion if the amendment was not carried. Otherwise we would have gained nothing; we would have just postponed the matter further. Unless it could be agreed unanimously that an amendment could be considered and that the amendment and the main motion would be voted on tomorrow, it would seem to me that we would not gain anything.

Mr. Gregoire: We are trying to find a solution to the problem, and we are suggesting an amendment. If it is not agreed to by the

house, maybe we can then try to find another solution together with the Secretary of State. Some ideas have been raised today by the Secretary of State that might be discussed. For example, the Secretary of State talked about seniority. Who decides which party has seniority? He talked about groups and parties. In our minds there is a lot to this matter.

For example, since last Friday a member of the Liberal party spoke on the C.B.C. program "Les Affaires de l'Etat", a free program for the political parties in Ottawa. We do not have any of these free political programs on the French network of the C.B.C.; they are only for political parties. If we are only a group we will not have access to these programs. There are many other points to be considered with regard to the difference between a group and a party. There is, for example, the question of membership on the standing and special committees of the house. Will a group be allowed to have members on these committees?

These are problems which have to be faced before we take a vote on the main motion. That is why we would like to present our amendment and then discuss the seriousness of the problem with the Secretary of State. He might call a meeting of all the house leaders to discuss the problem and we could find a solution. On the other hand, if the Secretary of State wants to impose his own solution on us without any discussion, we cannot accept that. We have heard the leader of the official opposition say that, although he does not like what the hon. member for Villeneuve is saying, he is nevertheless ready to fight unto death so that he can say it. We have the help of a great political party in Canada. We would have the help also of the New Democratic party, and we need it because we do not have very much experience in this house.

We are ready to fight, therefore, if they want to impose their decision. If they want to discuss a solution, then we are ready to discuss it to avoid delaying the business of this house. It is for this reason we are asking the Secretary of State if he wants to adjourn the debate and discuss the problem. We are ready to do that. If he wants to impose a solution, we are not ready to accept it.

Mr. Pickersgill: I think the hon. gentleman should—

An hon. Member: How many times can you speak?

Mr. Pickersgill: I am merely getting up because the hon. gentleman did make a proposition. I think the hon. member would be well advised to move an amendment and proceed in the ordinary way with the debate. The government is not seeking to impose any solution of this problem. As I have pointed out, all we are doing is debating the report of the committee. Let us go on with the debate on the report of that committee, and settle it.

Mr. Rheal Caouette (Villeneuve): I should like to ask the Secretary of State a question. Has the minister received any instructions from the legal officers of the House of Commons concerning the recognition of the Ralliement des creditistes in relation to the privileges that are given to the other political parties? Can the Secretary of State assure us that we will receive the same consideration as any political party in this House of Commons.

Mr. Pickersgill: This is not my business. It would be very improper for me or any other member except yourself, sir, to give such an assurance. We elected Your Honour to be the guardian of the rights, prerogatives and privileges of all hon. members, and for a member of the government to usurp that position or for anyone to suggest that a member of the government ought to usurp that position, I think shows a lack of understanding of parliament.

Mr. Gregoire: Is the Secretary of State now suggesting that this problem be referred back to the Speaker for decision? Is that the suggestion of the Secretary of State?

Mr. Pickersgill: No, my suggestion is that we continue the debate in the ordinary way under the rules of the house.

Mr. Speaker: May I suggest that the house now continue the debate on the motion? Is there any other hon. member who would like to speak?

Some hon. Members: Question, question.

Mr. Speaker: The hon. member for Quebec West.

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, when the Secretary of State (Mr. Pickersgill) says that there is no difference between a party and a group, I would answer him that there is, and a quite considerable one. In the report of the standing committee on privileges and elections, he states, in volume 3, that the group under the leadership of the hon. member for Villeneuve (Mr. Caouette) should be seated on the left of the Social Credit party. Therefore, the group of the hon. member for Red Deer (Mr. Thompson) is recognized as a party. The New

Democratic party, is recognized—the word party is mentioned—but when it comes to us, we are registered as a mere group.

Now, if the Secretary of State states that in this case there is no difference either, I want to state that when the motion is put and carried, they will find that there is a difference. But before we are accused of delaying the business of the house we certainly shall express our views and warn the government that it is taking a dangerous course and that, before long, it might come to regret its action.

Mr. Speaker, as I am interested in the motion now before the house, I think it is my duty to expound what I think might enlighten hon. members.

I would point out, Mr. Speaker, that when I was elected on April 8 last, for the second time, the electors of my county recognized that I was, first of all, a member of the Social Credit—and I still am—but the candidate chosen by the Ralliement des creditistes, and it was in that capacity that those electors financed my campaign.

Later on, you were informed at the Granby convention that we were not satisfied with our parliamentary leader and that we had decided to change him. At that time we agreed to choose a new parliamentary leader. Our present leader, our parliamentary leader, the hon. member for Villeneuve (Mr. Caouette) was chosen at a caucus. We saw in him qualities of dynamism and courage, and we wanted our whole country to benefit from that vitality.

The greater part of hon. members recognized that the division was justified. That is why I am asking the house to recognize our group according to our number. I shall come back to this matter in a while, in order fully to explain to hon. members that when we take tradition as a basis, the number is to be considered first.

If the question is of no interest to the members of other parties, they should let the group I represent in the house decide, and when the question is put we shall see where the true majority is and also which is the true Social Credit party.

If the house has decided that 12 members having a leader constitute a party, I wonder why it should delay the recognition of our group which comprises 13 members. Under Bill C-91, any group of at least 12 members will be officially recognized as a party in the house. As we have 13 members, we are therefore a party. The group of only 11 members cannot be called a party under Bill C-91.

To find the true definition of a party, one can consult the Quillet dictionary which says:

—of the union of several persons having the same interests or holding the same views against others who have opposite interests or views.

As you know, Mr. Speaker, we have in this house some interests with which all other parties disagree. Once again, this proves that we really form a party, and consequently, the definition of the Quillet dictionary applies.

We recognize also that the hon. member for Villeneuve has great merit. He gained the confidence of the people when, single handed, he had 26 members elected in 1962 and 20 in 1963. Without the fighting spirit of our leader, whose great qualities we recognize and which nobody can deny, I am convinced that the eleven members of the western group would not have been elected. Despite the stubborn fight conducted against the hon. member for Villeneuve, he succeeded in having 20 members elected last April, as you all know, and got 29 per cent of the votes, which is the second highest percentage in the province of Quebec. This is significant.

If this result scares the party in office and causes it to hesitate to recognize us as a fourth group in the opposition, it means that they will have to face our group after the next election, because the Ralliement des creditistes is the most dynamic group, and that, they know well. I therefore ask the government to reconsider their decision before they plunge into this, because it will have implications all across the nation.

I think that the New Democratic party, with 17 members, must sit right next to the official opposition party in this house. As far as we are concerned, we should sit on the left of the N.D.P. and as for the others they should sit in the corner, which seems logical since there are only 11 of them.

If one considers the votes taken lately, Mr. Speaker, one wonders whether there will be 11 of them very long, because they are divided into one, two or three groups, for 11 members. So, I wonder whether that pact will hold very long.

Since the reconvening of the session, you can see that we always stand united and that we know where we are going.

If there were an election tomorrow morning, if the people gave a solid vote for a new party, whatever its membership, could you, in two months from now, together with the new parties, count enough members to make up 140?

Do not forget that, because you are only a small group in the house. So, ask yourselves whether what you are doing is proper. But no, you do not ask yourselves that question. But the people want a new party, they want the party in power to hold a majority, and that is precisely decided by the number of members.

If, after the last general election, the Liberals had been unable to assume office, they would have said: "Listen, we have 129 members whereas the Conservatives have only 94. It is unfair." As far as I am concerned, their complaints would have been justified because it is always the largest group which should have precedence.

In my opinion, you may live to regret this. I feel that we should do the same thing now that we did after the election of last April 8. It is only logical that the largest party should govern. However, it is obvious, here, that makeshift arrangements are being made.

Last year, with 30 members, we came before the New Democratic party which had only 17 members. We had precedence over them and we found that logical.

This year, the contrary is being done in the house, and I feel that such action is unfair to us.

In my opinion, the house should consider the question more seriously instead of contradicting itself as it has done in the past few days. Its actions contradict its statement.

I hope that the public which follows what is happening in parliament will not be deceived by the decision which the government has undertaken to have approved without further explanation. We know what the result would be, the same as last week.

The house wants to know if the Ralliement des creditistes constitutes a new party in this house. Well, we are not a new party, we still follow the Social Credit doctrine; we have only changed our leader in parliament. I claim that the majority voice is that of the largest number of members in a democratic party like ours or in a house where freedom of speech and freedom of action are recognized. Speaking of freedom of speech, if we are placed in fourth position, we will make our presence felt here, we will speak out and we will criticize you for this action every time we have the opportunity to do so.

You want to make us your scapegoats and give us the last place in the opposition. Do not forget that besides being a political group, we are a true political party as it is clearly recognized in the report of the privileges and elections committee.

If the word "party" is applied to the Social Credit party headed by the hon. member for Red Deer (Mr. Thompson), or the New Democratic party, or to the Conservatives or the Liberals, I maintain that we are here as representatives of the Ralliement des creditistes and, therefore, constitute an officially recognized party. The dictionary proves us right as well as Bill C-91 for that matter. We are only asking you to be fair, and not only in our own interests; indeed, we do not want a precedent to be thus created which we may have cause to regret later on. Some are here for this session only, but the younger ones among us, who can hope to spend many years in this chamber, do not want to deplore later an act that parliament is ready to approve today.

Another illogical situation is the alleged seniority of the group directed by the hon. member for Red Deer, the oldest group, the group which, it is said, professes the true Social Credit theory, whereas it is known that the hon. member for Villeneuve sat in the house from 1946 to 1949. It is therefore the hon. member for Villeneuve who would deserve that seniority and not the three other Social Credit members who belong to the group you wish to recognize and who were elected for the first time in 1957.

Consequently, I do not understand that position. They talk of seniority and then, looking at the senior members, they find there are three in one group and one in the other; now, as one group has three, that one is the real group.

Where is the seriousness, where is the logic of that reasoning? If we really desire to be fair and to be recognized as such throughout the country, I suggest to the house it is solely the number of members which should be the first consideration. As we are 13, we say that the true Social Credit group is the group of 13, and that until the next election.

That the group still bears the name of Social Credit, we agree and we are not ready to deny it; we shall keep the name. It is understood that we do not form a new group, we only have a new house leader; it is the same theory, and the proof is that ever since we came here, we have been sharing the same ideas as the other group, even though you do not want to admit our monetary theory.

I believe that if the party in office were to make a decision today, in view of the state of mind now prevailing, it would be shameful to see it proceed towards a precipice. As you have already done twice, at the time of your decisions on the 11 per cent tax and the legislation concerning old age pensions, this time again, you are running towards catastrophe.

I wish the people had trust in parliament for its passing proper legislation.

I wish I had heard not only the parliamentary secretary, who was far from being convincing that time, but also the Prime Minister, to see what he thinks about the situation.

The other day, I noticed he did not commit himself first, on the occasion of the vote, and I congratulate him. The hon. member for

Lapointe (Mr. Gregoire) had said the first one to vote would take a great responsibility. It is therefore another one who assumed that responsibility.

Up to now we have heard backbenchers who did not really take this matter seriously. They sought to divert the attention of the house from the real problem and from the decision to be made. But we simply want our rights. No one can deny that we are not within our rights in trying to get what we are asking for.

We do not want to interfere with the business of the house and we would rather legislate and work for the people, but it is the respect for our rights that we are dealing with at this time. We sit now in the house and should a precedent be established, others in the years ahead would be placed in an unfortunate situation. We want the matter to be settled at once, even if it takes three or four days, we want it settled definitely so that we may arrive at a fair decision.

If tomorrow morning the leader of a party were to pass away, he would have to be replaced by another one, and the party would not lose its identity but the party leader would simply change. That is exactly what makes the difference.

In my opinion, the committee on privileges and elections spent too much time looking for considerations outside parliament. What has the national association got to do with that? It is members elected to the house who must reach their decisions. I think it is the word of the elected members which must count in the house and not considerations from outside.

At this time, it is useless to rack one's brains and look for difficulties where there are none in order to determine where is the real group. The national association has nothing to do with that. In my opinion, we have wasted enough time considering in this problem side issues which should have been disregarded altogether.

I should like to mention to the house all the admiration I have for my parliamentary leader, the hon. member for Villeneuve who offered last Friday the amount of his additional allowance of $4,000 to the down-and-out people in Canada. That proves again to the house that there has been no quibbling over that $4,000, but rather over the principle we wish to defend and that we do not want to see violated by others.

And when it is realized that, owing to internal difficulties in a group, it is virtually impossible to attain a preset goal, then one simply quits. But we did not, we took a vote and the majority decided that the ideal which our group was pursuing was actually the one which we must reach.

I intend to move an amendment in the hope that it will be taken into consideration and that it will not be brushed aside too lightly. Things must not be rushed. It is much better to spend one or two extra hours today and reach a decision which parliament will not have cause to regret.

Everybody talks about democracy and about freedom. I would rather have spoken last Friday, as I could have waxed more eloquent after hearing various speeches on the same topic. But the Secretary of State prevented me from doing so at the time.

That is why I come back to this matter today, is to make hon. members realize our position, because I find that after two days outside parliament, opinions have not changed.

I simply ask the hon. members on the government side, before they vote, to think twice about the lack of fairness and of understanding they would show with regard to a group in this house, if they were to take a decision too quickly.

We simply ask to be recognized as a group of 13 in this house, and we want a place as such.

Consequently, Mr. Speaker, I move, seconded by the hon. member for Roberval (Mr. Gauthier):

> That the report of the committee on privileges and elections be sent back to that committee with the recommendation from the house that the following words be added to paragraph 2:
>
> "The house recognizes that the most elementary decency demands that it should not be up to other political parties to decide which of the two Social Credit groups is the Social Credit party, and proposes to leave it to the Social Credit members themselves to decide that point by a majority vote among the 23 Social Credit members."

Mr. Speaker, if the house would entertain that amendment, it could be said that it had acted in a truly democratic way, and one would see where democracy is to be found and what sensible results really are.

[*Text*]

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

Some hon. Members: Question.

Mr. Speaker: The question is on the amendment to the main motion. Those in favour of the amendment will please say yea.

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

Division

And more than five members having risen:

Mr. Speaker: Call in the members.

The house divided on the amendment (Mr. Plourde), which was negatived on the following division:

YEAS

Messrs:

Beaule
Belanger
Bell
Boutin
Cadieu (Meadow Lake)
Cantelon
Caouette
Casselman, Mrs.
Chatterton
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Doucett
Fane
Fleming (Okanagan-Revelstoke)
Forbes
Gauthier
Gregoire
Gundlock
Hales
Harkness
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Kindt
Lambert
Laprise
Latulippe
Loney
MacInnis
MacLean (Queens)
MacRae
McBain
McCutcheon
Madill
Mandziuk
Martineau
Monteith
More
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Pascoe
Perron
Pigeon
Plourde
Pugh
Rapp
Rheaume
Ricard
Simpson
Skoreyko
Slogan
Southam
Starr
Stefanson
Stenson
Watson (Assiniboia)
Webb
Willoughby
Winkler—69.

NAYS

Messrs:

Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Bechard
Beer
Benidickson
Benson
Berger
Blouin
Boulanger
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Cardin
Caron
Carter
Cashin
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Douglas
Drury
Dube
Dupuis
Emard
Ethier
Favreau
Fisher
Forgie
Foy
Garland
Girouard
Gordon
Granger
Groos
Guay
Habel
Haidasz
Harley
Hellyer
Herridge
Honey
Howard
Howe (Hamilton South)
Jewett, Miss
Klein
Knowles
Laing
Lamontagne
Lamoureux
Laverdiere
Lessard (Lake St. John)
Macdonald
MacNaught
McIlraith
McMillan
McNulty
McWilliam
Marcoux
Martin (Essex East)
Matheson
Matte
Mitchell
Moreau
Munro
Nicholson
O'Keefe
Olson
Orlikow
Ouellet
Pearson
Pepin
Peters
Pickersgill
Pilon
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rouleau
Roxburgh
Ryan
Scott
Sharp
Tardif
Temple
Thompson
Tremblay
Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Webster
Whelan
Winch—106.

Mr. Speaker: I declare the amendment lost.

[*Translation*]

Mr. Chevrier: Mr. Speaker, I was paired with the hon. member for Three Rivers (Mr. Balcer). Had I voted, I would have voted against the motion.

[*Text*]

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

Mr. Brown: Mr. Speaker, I was paired. Had I voted I would have voted against the amendment.

Mr. Muir (Cape Breton North and Victoria): Mr. Speaker, I was paired with the hon. member for Inverness-Richmond (Mr. MacEachen). Had I voted I would have voted for the amendment.

[*Translation*]

Mr. Paul: Mr. Speaker, I was paired. Had I voted, I would have voted against the amendment.

Mr. Vincent: Mr. Speaker, I was paired. Had I voted, I would have voted against the amendment.

[*Text*]

Mr. Mullally: Mr. Speaker, I was paired; had I voted I would have voted against the amendment.

Mr. Lloyd: Mr. Speaker, I was paired; had I voted I would have voted against the amendment.

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

Some hon. Members: Question.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I will only say a few words, because our group do not wish to postpone any longer the division on the main question.

We are aware of what is going on and I want to protest vigorously against the decision of the committee on privileges and elections, which asserts that 13 members make a smaller group than 11. Actually, I feel that the public, who have a better sense of arithmetic than the members of the Liberal party, as well as the supporters of the hon. member for Red Deer (Mr. Thompson), will soon realize their tremendous mistake, as well as the wrong which is being perpetrated in the name of a wholly arbitrary decision. Following the committee's recommendations, we have been relegated to the last ranks among the political parties in this house.

I appreciate the statement of the Secretary of State at the opening of today's sitting, when he said that a group and a party were one and the same thing.

What we want is that the legal advisers of the House of Commons establish whether we are entitled, in this house, to the privileges everybody else is enjoying. Then you might recognize us, Mr. Speaker; I am firmly persuaded that it would warm the cockles of your heart to be allowed to recognize a group of men, of members of parliament lawfully elected, and seated in one of the corners of the house.

Mr. Speaker, we too are desirous to speed up the business of the house, because there are important problems to be settled without delay. Actually, outsiders have come to Ottawa, where they are meeting today with government representatives, and the leaders of the various parties. They hope their problems will be examined as soon as possible, and given a constructive solution.

For these reasons, we shall not prevent any longer the house from dividing on the motion, in order that it might proceed with its business forthwith.

[*Text*]

Mr. Speaker: Is the house ready for the question on the main motion?

Some hon. Members: Question.

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

Some hon. Members: On division.

Motion agreed to on division.

ROYAL CANADIAN MOUNTED POLICE

ANNOUNCEMENT OF APPOINTMENT OF NEW COMMISSIONER

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

the government has with regret accepted the resignation of Commissioner C. W. Harvison of the Royal Canadian Mounted Police to take effect on October 31, 1963. Commissioner Harvison first submitted his resignation in April of this year at the termination of 35 years of service. At the request of the government he agreed to retain his post as commissioner for a further period but has now requested to be allowed to retire as of the end of October.

Commissioner Harvison joined the Royal North-West Mounted Police in 1919 and is the last serving officer who began his service in the force when it bore that historic name. Both in the ranks and as a commissioned officer he has not only participated in but has made a distinguished contribution to the development of the R.C.M.P. from a frontier police force into one of the finest modern law enforcement agencies of any country in the world.

On behalf of all members of the house and of the people of Canada may I express our sincere appreciation of Commissioner Harvison's long years of outstanding service to the country and to the Royal Canadian Mounted Police. He has good reason to be proud of his record, just as we can all take pride in the force he has served.

I should also like to announce that the governor in council has appointed Deputy Commissioner G. B. McClellan to succeed Commissioner Harvison, with effect from November 1, 1963. Deputy Commissioner McClellan was born in Moose Jaw, Saskatchewan, in 1908, was educated at the Royal Military College at Kingston, Ontario, and joined the R.C.M.P. in 1932. Commissioned in 1939, Deputy Commissioner McClellan has served in all fields of federal law enforcement and national security and has held increasingly responsible positions in which he contributed much to the growth and development of the Royal Canadian Mounted Police. Appointed deputy commissioner in 1959, he was responsible for the administration of the force until 1960 when he became deputy commissioner, operations, responsible to the commissioner for all phases of policing, security and investigational work of the force as the senior deputy commissioner, and second in command.

I am certain that Deputy Commissioner McClellan will carry out the heavy responsibilities of his new post in a manner in keeping with the fine traditions of the Royal Canadian Mounted Police.

Export of Arms

EXTERNAL AFFAIRS

SOUTH AFRICA—PORTUGAL—STATEMENT ON EXPORT OF ARMS FROM CANADA

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I should like to make a statement about the policy of the government on the export of arms to South Africa, which the Prime Minister observed on Friday, October 11, was under consideration at that time by the government. I will also deal with the policy with regard to the export of arms to Portugal.

It has for several years been the policy of the Canadian government not to permit the shipment of arms to South Africa which might be used against the non-white population for the enforcement of the policy of apartheid. On August 7, 1963, the security council passed a resolution recommending that all states should cease the sale and shipment of arms, ammunition and military vehicles to South Africa. Taking into account the security council's recommendation and wishing further to express our disapproval of South Africa's apartheid policies, the government has decided that it will not authorize the acceptance of any new orders from South Africa for items of military equipment, nor permit the shipment of such equipment to South Africa.

Before August 7, 1963, the Canadian government had authorized the sale to South Africa of certain aircraft, communications equipment and air navigation equipment manufactured in Canada which were judged to be without relevance to the enforcement of the policy of apartheid. While keeping the situation under constant review, for the present the government will allow the shipment to South Africa only of maintenance spares for equipment supplied before August 7, 1963 and, subject to examination in each case, of certain aircraft piston engines and maintenance spares for such engines.

The government has also reviewed its policy with regard to the export of arms to Portugal. As I informed the house on June 25 this year, Canada has not made any contributions of Canadian military assistance to Portugal since November, 1960. With respect to the sale of arms and military equipment on a commercial basis, it has been the policy of the Canadian government since 1960 not to permit the export to Portugal or the territories under Portuguese administration of any arms or equipment which, in our judgment, would be used for military purposes in the Portuguese overseas territories. The government proposes to continue this policy.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the statement made by the minister is one of interest. It deals with a very difficult and trying problem. In its announcement the government has followed the course followed by the government of which I had the honour to be prime minister. I recognize the difficulties in the way.

So far as South Africa is concerned, we took the stand, and were greatly criticized for having done so, that while nations may practice in their hearts the luxury of discrimination, no nation within the commonwealth could have as its cornerstone a policy of discrimination as its only policy in dealing with those of a coloured race. As long as such a course was followed I contended, and the last year and a half has certainly borne out the stand I took, that within the commonwealth, with five out of six belonging to a coloured race, no nation could possibly accept membership believing, as does the present administration in South Africa, that a person belonging to a coloured race is not entitled to equality within the country.

In so far as Portugal is concerned, Portugal is the oldest ally of Great Britain. She has been a true ally throughout the years, as South Africa had been a true and co-operative friend in the commonwealth. It is difficult for a government to take a stand on this question and make the determination that has again been made. I think it is the only one consistent with the situation prevailing in the world today. I can only say that, difficult as the problem is, the government of the day having followed the path of the government of yesterday, which was criticized, we give our support to the stand taken.

Mr. R. N. Thompson (Red Deer): I do not want to belabour the point, Mr. Speaker, but I should like to express the suggestion that we lend our whole-hearted support to the statement the Secretary of State for External Affairs has just given to us. As one who perhaps understands well the situation because of years of experience in the continent about which we are talking, I am convinced that it is the responsibility of freedom loving people of Canada, with a parliamentary system of government, pledged to the preservation of the rights of individuals, regardless of race, colour or creed to give leadership whenever possible on problems such as this. I think the government has taken the correct stand in following the policies laid down by the previous government in regard to this most difficult problem.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, about ten days ago I asked the Prime Minister what action the government intended to take with reference to stopping the shipment of arms to South Africa. I am very glad that the statement has been made

today by the Secretary of State for External Affairs. I think the government is to be congratulated for this somewhat belated decision to stop the shipment of arms to both South Africa and Portugal. I do not believe that under world conditions as they are today, Canada or the Canadian people would want arms shipped to South Africa which might be used to enforce apartheid and to carry on policies of racial discrimination. Nor do I think the Canadian people will support armaments being sent to Portugal in order to maintain the last relics of colonialism in that part of Africa.

I am very glad the government has taken the step which it has. I hope it will carefully watch the matter of aircraft because I am not sure I can agree with the minister when he says aircraft cannot be used to maintain apartheid policies. If there is civil disobedience in South Africa, certainly military aircraft would become very important weapons. I hope the government will watch carefully the question of airplanes and airplane parts going to South Africa. I am sure the statement which has been made by the Secretary of State for External Affairs will be welcomed by Canadians generally as proof that we are doing more than paying lip service in our opposition to colonialism and racial discrimination.

Mr. Real Caouette (Villeneuve): Mr. Speaker, we wholeheartedly subscribe to the stand taken by the government as outlined by the Secretary of State for External Affairs. It is a move forward in the recognition of human rights in a part of the world in which recognition is needed and help is needed. My only wish is that the same recognition would be given in this House of Commons, since we are not in South Africa.

BANKING AND COMMERCE

CONCURRENCE IN NINTH REPORT OF STANDING COMMITTEE

Mr. Edmund Asselin (Notre Dame de Grace): Mr. Speaker, I would request unanimous consent to revert to presenting reports by standing and special committees, for the purpose of presenting a report.

Mr. Speaker: Does the house give consent?

Some hon. Members: Agreed.

Mr. Asselin presented the ninth report of the standing committee on banking and commerce, and moved that the report be concurred in.

Motion agreed to.

QUESTIONS

Mr. Pickersgill: Mr. Speaker, the following questions are being answered today: 999, 1,023, 1,197, 1,216, 1,228, 1,248, 1,257, 1,268, 1,272, 1,291, 1,295, 1,297, 1,301, 1,308, 1,309, 1,310, 1,311, 1,320, 1,321, 1,322, 1,323, 1,324, 1,326, 1,331, 1,343, 1,351, 1,352, 1,354, 1,362, 1,366, 1,368, 1,379, 1,401 and 1,413.

If questions Nos. 1,179 and 1,233 could be made orders for returns, the returns would be tabled immediately. I would also ask that question 931 be made an order for return.

If Your Honour would be good enough to call starred questions 1,191, 1,232, 1,235, 1,251 and 1,356, I would ask that the remaining questions be allowed to stand.

(Questions answered orally are indicated by an asterisk.)

UNEMPLOYMENT INSURANCE BENEFITS TO CANADIANS WORKING IN MAINE

Question No. 999—**Mr. Berger:**

1. On what date were the latest Canadian-American interviews held or correspondence exchanged pertaining to the subject of Canadian forestry employees working in the state of Maine and unable to draw unemployment insurance?
2. Who were the participating parties?
3. On that occasion was any progress made?

Mr. MacEachen: 1, 2 and 3. In view of the intense interest held by members from the areas of eastern Quebec and New Brunswick, it is felt that a complete statement should be made concerning the efforts to conclude a reciprocal agreement between the state of Maine and the unemployment insurance commission of Canada with respect to unemployment insurance.

The steps taken over the past year may be summarized as follows:

Discussions were held in Quebec city on 22 May, 1962, between the members of the Maine employment security commission, representatives of the U.S. bureau of employment security, representatives of importers for the American pulpwood association, and the members of the unemployment insurance commission of Canada.

While satisfactory progress appeared to have been made at this meeting, it was agreed at its conclusion that the members of the two commissions—Maine and the unemployment insurance commission—should meet again in October 1962.

On 22 and 23 August, 1962, the director of unemployment insurance and the chief of claims operations, both of the unemployment insurance commission of Canada, met with their counterparts from Maine to discuss administrative problems associated with any agreement that might be reached. These discussions were entirely satisfactory.

On October 19, 1962, the chairman of the Maine employment security commission wrote the chairman of the unemployment insurance commission of Canada stating that the question of a reciprocal agreement had been referred by the Maine commission to their advisory council and asking for a postponement of the proposed October meeting. The chairman of the unemployment insurance commission agreed.

In mid-December 1962, the chairman of the unemployment insurance commission of Canada telephoned his Maine counterpart regarding the postponed meeting and in reply received a letter dated December 17, 1962, from the Maine chairman to the effect that the advisory council would not be considering the matter of this agreement until its meeting on January 15, 1963, after which he would be pleased to arrange the meeting between the two commissions.

On January 17, 1963, the chairman of the Maine employment security commission again wrote the chairman of the unemployment insurance commission of Canada saying that the Maine advisory council had referred the question of this agreement to a special committee; that he would keep the unemployment insurance commission of Canada posted on further reports, and that he hoped for a meeting of the two commissions in the not too distant future to continue discussions.

On March 1, 1963, the chairman of the unemployment insurance commission of Canada enquired of the Maine commission as to the action taken by the advisory council and was informed that it (the council) was still gathering data pertinent to its deliberations.

On July 24, 1963, the chairman of the Maine employment security commission informed the chairman of the unemployment insurance commission that their commission had met with the advisory council and were now in process of making arrangements for a further discussion on the matter before a final decision is made. He further advised that he had hopes that the answer would be given to the unemployment insurance commission by September 1, 1963.

On August 1, 1963, the chairman of the unemployment insurance commission acknowledged the letter from the chairman of the Maine employment security commission expressing the hope that it will be possible to come to an agreement.

On August 20, 1963, the chairman of the Maine employment security commission wrote to the chairman of the unemployment insurance commission to report that due to unexpected difficulty in scheduling the meeting with the pulp and paper committee it appeared that the earliest date for the meeting would be the middle of September and that a decision on the state of Maine-Canada reciprocal agreement would be communicated not later than October 1, 1963.

On September 25, 1963 discussions were held in Augusta, Maine regarding an agreement between the state of Maine and the unemployment insurance commission of Canada with respect to unemployment insurance. At the same time a meeting was held with the members of the employment security commission for the state of Maine. It is hoped that as a result of these further discussions a satisfactory conclusion can be reached.

GLASSCO REPORT RESPECTING QUEEN'S PUBLISHER

Question No. 1,023—**Mr. Fisher:**

Has the Glassco commission, volume 2, report No. 9, entitled "printing and publishing", been appraised by the government and, if so, does the government intend to (a) implement the recommendation on page 300 creating the new office of queen's publisher (b) implement the recommendation on page 306 making the queen's publisher responsible for procuring all print required by parliament and in particular, paragraph 2, page 306, "His staff would serve departments by establishing specifications, calling tenders, awarding the contract and supervising completion of the printing. The queen's publisher should be given responsibility to classify on an objective basis those printers eligible to be invited to tender" (c) implement the recommendation conclusion 6, page 140, purchasing and supply, volume 2 Glassco commission which reads "Equally appropriate for early transfer to Department of Defence Production would be the responsibility for purchasing and supplying office furniture, office machinery, printing and stationery"?

Mr. Lamontagne: (a) and (b). The Glassco commission's recommendations concerning the creation of the post of queen's publisher and the responsibilities to be attached to that post, if created, are still under consideration.

(c) Yes.

*IS F.L.Q. A SUBVERSIVE ORGANIZATION?

Question No. 1,191—**Mr. Fisher:**

Is the F.L.Q. a subversive organization, by definition or practice, in so far as the Department of Justice and our security police are concerned?

Mr. Macdonald: The Department of Justice does not define or classify organizations, as subversive or otherwise, but any organization which employs violence for the purposes indicated by the F.L.Q. is regarded as subversive by the R.C.M. police and kept under surveillance as such.

QUALIFICATIONS OF ARMY OFFICERS FOR PROMOTION AND STAFF COLLEGE TRAINING

Question No. 1,197—**Mr. Douglas:**

1. With regard to the qualification of army officers for promotion and for entry to the staff college, what officers or group of officers or what schools,

directorates, or headquarters carry out (a) the preparation or guiding of officers in their preparation for the examinations (b) the preparation of study papers or tactical exercises without troops for the use of candidates (c) the teaching of the current tactical doctrine (d) the setting of examinations (e) the preparation of marking guides (f) the marking of examination papers?

2. With regard to the officers in each subparagraph of 1 above, (a) what qualifications and special training do they have (b) do they have other duties unrelated to the qualifying of officers and, if so, what are they?

3. Is co-ordination effected to ensure that officers are examined on what they have been taught and, if so, how?

Questions

Answer: 1 and 2. Qualifications for promotion in the army rests on passing two sets of examinations, a theoretical and a practical for the rank of captain and major. The theoretical, known as part I examinations, cover selected military subjects of concern to all officers. The practical, known as part II examinations, emphasize subjects peculiar to specific corps.

Detailed information is contained in the attached appendix.

3. Yes, co-ordination is provided by detailed standards and procedures laid down in the manual "How to Qualify".

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PART 1 EXAMINATIONS

Function or activity	Officers or group of officers concerned	Qualifications and special training	Other duties
		2. (a)	(b)
1. a) Preparation and guiding.	Guidance is provided by commanding officers and senior regimental officers. Commands stage central study groups for their candidates.	Rank of major, normally PSC, experience in regimental duty.	Yes, depending on appointment.
b) Study papers and tactical exercises.	Director of military training at army headquarters.	As above.	As above.
c) Teaching current tactical doctrine.	Director of military training and unit officers concerned.	As above.	As above.
d) Set examinations.	The examining board in directorate of military training.	Experienced staff trained officers in the rank of major under the chairmanship of lt. colonel.	Certain officers in directorate of military training are specifically charged with the preparation and marking of those examinations.
e) Preparation of marking guides.	As above.		
f) Marking of papers.	As above.		

PART 2 EXAMINATIONS

Function or activity	Officers or group of officers concerned	Qualifications and special training	Other duties
		2. (a)	(b)
1. a) Preparation and guiding.	Commanding officers and senior regimental officers. Command staff officers.	Rank of major, normally PSC, experience in regimental duty.	Yes, depending on appointment.
b) Study papers/tactical exercises.	As above.	As above.	As above.
c) Teaching current tactical doctrine.	As above.	As above.	As above.
d) Set examinations.	Corps schools, directors.	As above.	Yes, Corps schools and directors.
e) Preparation of marking guides.	As above.	As above.	As above.
f) Conduct of examination.	A corps board of officers, convened by director of military training including the corps director or school commandant and a number of staff trained majors. This board both conducts the practical examinations and marks any written exercises required.	As above, plus more senior officers.	None during the examination.

SALE OF PUBLIC WHARF, MONCTON, N.B.

Question No. 1,216—**Mr. Rideout:**

Has the public wharf in Moncton, N.B., been sold and, if so (a) to whom (b) at what price (c) were public tenders called (d) what facility is presently being used in the city of Moncton to serve as a public wharf?

Mr. Pickersgill: Yes, (a) to Moncton Lumber Company Limited; (b) for $6,000; (c) by direct negotiation without calling for tenders, since under the long established policy of Crown Assets Disposal Corporation governing priorities, the company, as a lessee of the premises, was entitled to purchase at a fair market price; (d) not known.

NORTHERN AFFAIRS—RESEARCH ASSISTANCE PROGRAM

Question No. 1,228—**Mr. Dinsdale:**

1. What Canadian universities have been provided with grants in aid under the Department of Northern Affairs and National Resources research assistance program?
2. What are the amounts involved in each case?
3. What specific projects are covered?
4. When was this program inaugurated?
5. Will it be continued in the 1963-64 fiscal year?

Answer: 1. University of British Columbia, for the president's committee on Arctic and alpine research; University of Alberta, for the boreal institute; University of Saskatchewan, for the institute for northern studies; University of Manitoba, for the president's committee on Arctic research; University of Ottawa, for the Canadian research centre on anthropology and the Boothia expedition; Laval University, for the centre d'Etudes nordiques; Memorial University of Newfoundland, for the institute of social and economic research.

2.

	Fiscal Year 1962/63	Fiscal Year 1963/64
University of British Columbia	$1,500	$4,000
University of Alberta	$4,800	$4,800
University of Saskatchewan	$6,000	$7,000
University of Manitoba	$1,500	to be determined
University of Ottawa	$1,200	$2,200
Laval University	$6,000	$7,000
Memorial University of Newfoundland	—	$5,000

3. Grants are made to interdisciplinary university northern research institutes for research in the north in the physical, biological, earth and social sciences. The allocation of funds to specific projects is made by the board of directors of each research institute.

4. Fiscal year 1962/63. The first grants were made in October 1962.

5. Yes. See answer to 2. above.

*YUKON TERRITORY—FEDERAL PARTICIPATION IN ROAD PROGRAMS

Question No. 1,232—**Mr. Nielsen:**

1. Is the program of federal government financial participation with respect to the construction and/or maintenance (as the case may be) of (i) roads (ii) access roads (iii) recreation roads (iv) tote roads (v) winter roads or trails, being continued in the Yukon Territory by the government in the same way, and to the same extent, as it was prior to April 8, 1963?

2. If the program in part 1 above is being continued (a) what projects, within each of the classifications of road enumerated in part 1 above, have been or are being proceeded with (b) what amount of financial assistance has been given by the government to each project within the classifications of road or trail enumerated in part 1?

3. If the program in part 1 above is not being continued by the government, or, if the said program has been limited by the government (i) what reductions have been made in the moneys heretofore available under this program with respect to each of the classifications of roads enumerated in part 1 (ii) what projects have been abandoned in each of the classifications of roads enumerated in part 1 above (iii) what projects which were contemplated in each of the classifications of roads enumerated in part 1 above are being abandoned?

4. If the program of federal financial assistance with respect to the classifications of roads enumerated above is not being continued by the government, is any substitute plan or plans being contemplated and, if so, what is the nature and extent of the same?

Mr. Laing: The answer to this question extends over three closely typed pages, and I was wondering if I could have unanimous consent to have it printed in *Hansard*?

Mr. Speaker: Is unanimous consent given?

Some hon. Members: Agreed.

[*Editor's note: The answer referred to is as follows:*]

1. There has been no change in the program of federal government financial participation with respect to the construction and/or maintenance of—

(i) roads; (ii) access roads; (iii) recreation roads; (iv) tote trails; (v) winter roads or trails.

2. The following projects in the Yukon are being undertaken during the current year. The federal government pays 100 per cent of the costs unless otherwise indicated. (See Appendix A for detailed costs).

(a) Reconstruction of Whitehorse-Keno highway (trunk highway); (b) reconstruction of Stewart Crossing-Dawson road (secondary trunk highway); (c) reconstruction of boundary road (secondary trunk highway); (d) construction of the Watson lake-Ross river

road (area development road); (e) reconstruction of a portion of the Canol road (area development road); (f) construction of the Nahanni range road (area development road); (g) contribution of two-thirds the cost of the Canada tungsten road (mine access road); (h) other small road projects including engineering surveys.

Total estimated federal expenditures on roads—$2,500,000.

The federal government also contributes toward the cost of maintenance of development roads and trunk highways in the Yukon in accordance with the federal-territorial financial agreement. Expenditures in the current year are expected to amount to approximately $633,000.

The tote trail program has been maintained at its former level and $50,000 is available to provide assistance in this regard. In addition the considerable expenditures made by the federal government towards the upkeep and reconstruction of the northwest highways system should be mentioned. It is estimated that expenditures attributable to the Yukon portion of the system for the current year will be in the order of $6,000,000.

3. The contribution to maintenance costs and the tote trail assistance program are included in the federal-territorial financial agreement and therefore continue each year. None of the road construction projects already commenced will be curtailed. The construction of new roads of various classifications is undertaken in accordance with the requirements of each region of the Yukon. The funds spent each year for this purpose vary accordingly.

4. The road requirements of the Yukon are under constant study and plans for the future will be expanded as the needs increase. No changes in the methods of financing roads in the Yukon are contemplated at this time.

Appendix A

(Item 2)

For the current year, i.e., 1st April, 1963 to 31st March, 1964, the following programs are being carried out in the Yukon:

(a) Reconstruction of the Whitehorse-Keno road (trunk highway); estimated expenditure in the year—$500,000. The total estimated cost of this project, excluding bridges, is $2,062,000. This is the fourth of a five year program; (b) Stewart Crossing-Dawson road (secondary trunk highway). Estimated expenditures in current year—$43,000; (c) Boundary road (secondary trunk highway). Estimated current expenditures—$50,000. Reconstruction of existing road; (d) Watson lake-Ross river road (area development road). Third year of a five year program. Estimated expenditures for this year—$1,215,000; (e) Canol road (area development road). Reconstruction of oil road built in 1943. Expenditures for year estimated to be $46,000; (f) Nahanni range road (area development road). Last year of program. Estimated cost—$250,000; (g) Canada Tungsten road (mine access road). Contribution of two thirds actual cost amounts to a total of $667,000. This year's final payment—$100,000; (h) Other smaller road projects, including engineering surveys—$290,000; (i) Federal government share of maintenance cost of certain roads in Yukon. Estimate—$632,700; (j) Contribution toward tote trails. Program administered by the Yukon territorial government—$50,000.

Federal government—

Capital expenditures on Yukon roads, excluding northwest highways system, local and municipal roads.

1960-61, $3,203,667; 1961-62, $4,628,736; 1962-63, $3,912,176; 1963-64, $2,500,000 estimate.

*NORTHERN AFFAIRS—CONSULTATIONS RESPECTING ROADS, PORTS, ETC.

Question No. 1,235—**Mr. Nielsen:**

Has the government of Canada or any official or employee of the government had any consultations with either the government of the province of British Columbia, or with the government of the United States of America, or, with any official or employee of either of the said governments, with respect to (a) the maintenance or paving of the Alaska highway (b) the maintenance or paving of the Haines cut-off road (c) the construction of a road from Carcross in the Yukon Territory to Skagway in the state of Alaska (d) the acquisition by Canada of a corridor or corridors from the Yukon Territory through to tidewater on the Alaskan panhandle (e) the acquisition by Canada of a 'free' port or ports on the Alaskan panhandle?

Mr. Martin (Essex East): There have been no recent negotiations between the governments of Canada and the United States on any of the five subjects mentioned in the question, although there have been some informal and inconclusive discussions with regard to the Haines cut-off highway. I would refer my hon. friend to what the minister of northern affairs said on October 3, 1963, page 3156 of *Hansard*.

POINT EDWARD NAVAL BASE—CIVILIAN PAYROLL

Question No. 1,248—**Mr. Muir (Cape Breton North and Victoria):**

What has been the total annual payroll of civilian personnel at the Point Edward naval base for each of the years 1953 to 1963 inclusive?

Answer: Payroll figures are not available for 1953 and 1954. 1955, $1,719,799; 1956, $1,856,851; 1957, $1,959,835; 1958, $2,025,728; 1959, $2,147,072; 1960, $2,059,364; 1961, $2,398,769; 1962 $2,634,767; (to Sept. 30) 1963, $1,911,117.

SWORDFISH—CONSUMPTION BY ARMED FORCES

Question No. 1,257—**Mr. Crouse:**

Has the Minister of National Defence given consideration to purchasing and making available swordfish for our armed forces, thereby increasing the market for this seafood which is presently being caught in large quantities by Nova Scotian fishermen?

Answer: Yes, the services are being asked to consider adding swordfish as an alternative item in the appropriate portion of their ration scale. It should be pointed out, however, that the addition of swordfish as an item in service ration scales will not of itself result in a large and continuing demand for the item. The extend to which such action will create a demand for swordfish will depend upon the extent to which individual service units wish to draw swordfish in place of meat, poultry, or some other variety of fish.

BILINGUAL EXAMINATION

Question No. 1,268—**Mr. Olson:**

Is there a standard examination for the purpose of determining whether or not an individual is bilingual when applying for a federal government service job that specifies bilingual qualifications and, if so, (a) does the test determine the degree of bilingual proficiency (b) do certain jobs require greater or lesser degrees of bilingual proficiency?

Mr. Pickersgill: I have been given the following answer by the civil service commission:

Although there is no standard examination for the purpose of determining whether or not an individual is bilingual, there are tests, either oral or written, designed to assess the bilingual qualifications of an applicant for a particular job.

(a) Yes, depending on the particular requirements of the position.

(b) Yes.

CONSTRUCTION OF PENAL INSTITUTION, YUKON TERRITORY

Question No. 1,272—**Mr. Nielsen:**

1. Does the government intend to proceed with the construction of a minimum security penal institution in the Yukon Territory and, if so, where is the intended location of such institution?

2. Have the plans and specifications of the project been completed and, if so, when is it intended to call for public tenders on the job?

3. What are the proposed dates of commencement of construction and completion of the project?

Answer: 1. Yes, in the Whitehorse area, to enable the territorial government to carry out its responsibilities for custody of prisoners, under the federal-territorial financial agreement.

2. No.

3. It is anticipated that construction will begin in 1964, for completion in 1965.

RESPONSIBILITIES OF QUEEN'S PUBLISHER

Question No. 1,291—**Mr. Fisher:**

On September 30, 1963, what divisions and parts of divisions of the Department of Public Printing and Stationery, and how many employees of each have become the responsibility of the proposed office of queen's publisher?

Mr. Drury: The publications branch, 138 employees; from the procurement, purchasing and stores branch, four employees, and from the supporting services of the Department of Public Printing and Stationery, 38 employees.

TENDERS AND CONTRACTS FOR PRINTING

Question No. 1,295—**Mr. Fisher:**

How many (a) printing job tenders for print requisitioned by government agencies have been issued (b) contracts have been awarded, since the day on which procurement, purchasing and stores branch became a responsibility of the Department of Defence Production and, of these (i) how many tenders have been issued, and how many contracts have been awarded by the procurement, purchasing and stores branch as a responsibility of the Department of Defence Production, and (ii) how many tenders have been issued, and how many contracts have been awarded by the proposed office of queen's publisher.

Mr. Drury: (a) 205.

(b) 427.

(i) Tenders, 182; purchase orders, 411.

(ii) Tenders, 23; contracts awarded, 16.

PURCHASES BY PROCUREMENT BRANCH, DEFENCE PRODUCTION

Question No. 1,297—**Mr. Fisher:**

What categories of goods and services purchased by the procurement, purchasing and stores branch prior to July 25, 1963, will be purchased by the branch as a division of the Department of Defence Production?

Mr. Drury: The categories of goods and services to be purchased by procurement, purchasing and stores branch are: Printed matter (other than books and publications), stationery, paper and envelopes, printing equipment and supplies, office machines, services for maintenance and repair of office machines and printing equipment.

GRAIN STORAGE CAPACITY

Question No. 1,301—**Mr. Watson (Assiniboia):**

What is the total storage capacity of (a) all terminal elevators in Canada (b) all grain elevators in western Canada (c) permanent annexes in western Canada (d) temporary annexes in western Canada (e) farm-owned storage bins in western Canada?

Mr. Hays: (Data are basis board of grain commissioners' initial licensing records as of August 1, 1963.)

(a) Total licensed capacity of all terminal elevators in Canada at the above date was 159,460,410 bushels.

(b) Total storage capacity of all grain elevators licensed in western Canada at the above date was 540,880,610 bushels.

(c) and (d) The term "annex" is applied to country elevator storage prior to 1951-52. There were two classifications, permanent and temporary. The temporary notation was discontinued effective 1951-52. As of August 1, 1963, the total storage capacity of annexes licensed as part of the country elevator system was 197,205,700 bushels.

(e) This information is not available. The board of grain commissioners has estimated that the peak quantity of grain stored at any one time on western farms was during the 1956-57 crop year and that it would have been in the order of 900 to 950 million bushels.

REPAIRS TO C.G.S. "WOLFE"

Question No. 1,308—**Mr. MacEwan:**

1. What firms tendered on the repairs to the C.G.S. *Wolfe* and what were the amounts of the various tenders?
2. To what firm has the contract been awarded?
3. On what date are the repairs required to be completed?

Mr. McIlraith: 1. Ferguson Industries Ltd., Pictou, N.S., $55,892; Steel and Engine Products, Liverpool, N.S., $64,987; Saint John Dry Dock, Saint John, N.B., $72,672; Halifax Shipyards, Halifax, N.S., $97,870.

2. Ferguson Industries Ltd., Pictou, N.S.

3. Thirty days after delivery of the ship to Ferguson Industries Ltd.

OWNER OF S.S. "TRITONICA"

Question No. 1,309—**Mr. Orlikow:**

1. What company is the registered owner of the *Tritonica*?
2. Is this company a subsidiary of any other company and, if so, what is the name of the company?
3. Who is the ultimate beneficial owner of the *Tritonica*?

Answer: 1. Snowberry Co., Limited, Reid house, Hamilton, Bermuda.

2. Information not available as registered owner is not a Canadian corporation.

3. Information not available.

CORPORATION EARNINGS AND PROFITS

Question No. 1,310—**Mr. Latulippe:**

1. What are the earnings of manufacturing corporations after taxes, in dollars, (at the annual rate, seasonally adjusted) for the last 5 years?
2. What are the earnings on each dollar of sales, or profits after taxes, per dollar of sales (seasonally adjusted) of manufacturing corporations during the last 5 years.

Answer: 1 and 2.

Seasonally adjusted data on earnings after taxes or profits after taxes of manufacturing corporations are not available.

[Mr. Hays.]

Annual profits after taxes per dollar of revenue (i.e. sales plus investment income) for the past five years are as follows: 1958, 3.5 cents; 1959, 3.5 cents; 1960, 3.1 cents; 1961, 3.0 cents; 1962, 3.3 cents.

SUPERINTENDENT, P.E.I. NATIONAL PARK

Question No. 1,311—**Mr. Macquarrie:**

1. What persons have held the post of acting superintendent of the Prince Edward Island national park since its establishment?
2. What were their terms of office?
3. What persons have held the post of superintendent of the P.E.I. national park?
4. What were their terms of office?
5. Does the government intend to return to its predecessor's practice and appoint a full time superintendent for this park?
6. What was the total expenditure by the government of Canada in the park in the fiscal years 1957-58 to 1962-63?

Answer: 1 and 2. June 1937-July 1938, A. L. MacKay, Officer in charge; Sept. 1947-Apr. 1948, L. W. Ford, Officer in charge; Oct. 1953-Apr. 1954, L. W. Ford, Officer in charge; Oct. 1954-Apr. 1955, L. W. Ford, Officer in charge; Oct. 1955-May 1956, L. W. Ford, Officer in charge; Apr. 1948-May 1949, J. H. Atkinson, A/superintendent; June 1951-Oct. 1952, G. B. McGillivray, A/superintendent; Nov. 1952-Apr. 1953, R. G. McCallum, Officer in charge; Apr. 1953-May 1953, E. G. Saunders, A/superintendent; May 1953-Oct. 1953, J. A. McKay, A/superintendent; Apr. 1954-Oct. 1954, H. A. deVeber, A/superintendent; Apr. 1955-Sept. 1955, J. C. Goodison, A/superintendent; May 1956-Sept. 1956, F. C. Browning, A/superintendent; July 1963-Sept. 1963, A. R. Ede, A/superintendent; Sept. 1963-, H. B. Webb, A/superintendent.

3 and 4. August 1938-Sept. 1947, E. A. Smith; June 1949-May 1951, J. H. Atkinson; Oct. 1956-May 1958, F. C. Browning; May 1958-June 1963, E. J. Kipping.

5. Yes.

6. 1957-58, $156,087; 1958-59, $302,212; 1959-60, $440,630; 1960-61, $690,537; 1961-62, $661,583; 1962-63, $486,261.

VISITORS TO LOWER FORT GARRY, MAN.

Question No. 1,320—**Mr. Slogan:**

1. What were the number of visitors at lower Fort Garry from the year 1955 on?
2. What was the classification of these visitors in each of the years?

Answer: 1. Fiscal year 1955-56, 1956-57, no attendance figures available in our records; 1957-58, 21,300 (estimated); 1958-59, 15,000 (estimated); 1959-60, 33,229; 1960-61, 42,787; 1961-62, 50,234; 1962-63, 59,544; 1963-64, 76,792 (to Sept. 30).

2. No accurate classification of visitors is available from our records.

LOWER FORT GARRY, MAN., GUIDES

Question No. 1,321—**Mr. Slogan:**

1. What are the names, addresses and occupations of the guides used at lower Fort Garry in 1963?

Questions

2. What was the rate of pay for the guides, and what did each guide earn?

3. What are the duties of the guides?

4. What is the schedule of the visiting hours at lower Fort Garry?

Answer: 1 and 2.

	Occupation	Rate of pay	Total earnings
Herbert Flaig, 852 Sherburn st., Winnipeg 9, Manitoba.	Student	$1.71 per hr.	$548.06
Carolyn Judy Porhownik, Box 8, group 323, R.R. 3, Selkirk, Manitoba.	Student	$1.71 per hr.	$1,351.76
Reva Janet Ross, 520 Ash street, Winnipeg, Manitoba.	Student	$1.71 per hr.	$660.07

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3. (a) To conduct visitors about the grounds and buildings, and provide historical information relevant to the fort (b) to carry out fire-fighting duties in case of emergency; (c) to assist in various other tasks, as required.

4. 1963 schedule: May to August inclusive, 10 a.m. to 8 p.m., 7 days a week; September, 11 a.m. to 6 p.m., 7 days a week; October, 11 a.m. to 5 p.m., 7 days a week.

LOWER FORT GARRY MUSEUM BUILDING

Question No. 1,322—**Mr. Slogan:**

1. What tenders were received for the building of a museum building at lower Fort Garry?

2. What were the names of the companies, the amount tendered, and the successful tenderer?

3. When is it expected that the contract for the museum building will be finished?

4. Is it anticipated that the museum will be opened to the public at the start of the tourist season in 1964?

Answer: 1 and 2. Rodzen Construction Limited, Winnipeg, Manitoba (successful tenderer), $135,794; A. W. Homme Ltd., Winnipeg, Manitoba, $142,979; Kraft Construction Company Ltd., Winnipeg, Manitoba, $144,820; Commonwealth Construction Company Ltd., Winnipeg, Manitoba, $146,000; Wallace & Akins Limited, Winnipeg, Manitoba, $154,370.

3. June 28, 1964.

4. It is planned to complete displays in time to open the museum to the public during the 1964 tourist season.

LOWER FORT GARRY, MAN.—LAND PURCHASES

Question No. 1,323—**Mr. Slogan:**

1. Has the federal government purchased any land from the provincial government of Manitoba around lower Fort Garry and, if so, what land has been purchased, at what price, and for what purpose?

2. What are the plans of the federal government for the expansion of lower Fort Garry as a tourist attraction up to and including 1967?

Answer: 1. No.

2. Construction of a museum; restoration of original fort buildings.

FEDERAL EXPENDITURES, LOWER FORT GARRY, MAN.

Question No. 1,324—**Mr. Slogan:**

1. What federal moneys were spent at lower Fort Garry in each fiscal year since 1955?

2. What is the breakdown of these expenditures as far as maintenance, operation costs, personnel, and improvements?

Answer: 1. and 2.

	Personnel	Operation and Maintenance	Construction
1955-56	Nil	$ 150	—
1956-57	Nil	$ 3,359	$ 10,956
1957-58	Nil	$ 3,937	$ 1,349
1958-59	Nil	$ 4,518	$ 6,107
1959-60	Nil	$ 4,481	$ 6,860
1960-61	Nil	$ 4,724	$ 5,503
1961-62	$ 4,500	$ 7,540	$ 3,233
1962-63	$ 7,565	$ 8,550	$ 19,539
1963-64	$ 12,000 (est'd)	$ 16,000 (est'd)	$185,500 (est'd)

Questions

TARIFFS ON DENTAL EQUIPMENT AND SUPPLIES

Question No. 1,326—**Mr. Slogan:**

1. What tariffs are imposed against dental equipment, supplies and materials imported into this country?

2. Is there any difference in the tariffs on dental materials used in the mouth as against those used outside the mouth?

3. Specifically what tariffs are imposed on alginate impression materials and prophylaxis brushes and rubber cups manufactured in the United States?

Mr. Garland: 1. Dental instruments of any material designed for surgical operative use, orthodontic appliances and parts thereof for the correction of malocclusions, dental operating lights, dental X-ray machines, X-ray film, X-ray developing tanks, dental instrument sterilizers, unmounted artificial teeth, are admissible free of duty under all tariffs.

Dental chairs, dental units, electric dental engines and dental cuspidors are admissible free of duty when imported under the British preferential tariff or the most favoured nation tariff. These articles are dutiable at 35 per cent ad valorem under the general tariff.

Other dental equipment and supplies are subject to the provisions of the customs tariff according to their classification.

2. Dental materials are liable to the same rates of duty whether used in or out of the mouth.

3. Alginate impression compound is dutiable at 20 per cent ad valorem, when imported from the United States. Prophylaxis brushes and rubber polishing cups for dental hand pieces are admissible free of duty under all tariffs.

WRECK OF "TRITONICA"

Question No. 1,331—**Mr. Grafftey:**

1. Has the Department of Transport ordered the agents and/or owners of M. V. *Tritonica* to remove or destroy the said ship under the provisions of the Navigable Waters Protection Act and, has the department considered the effect upon navigation and upon possible claims in law against the *Tritonica* if she is destroyed by dynamite?

2. How wide is the ship channel at the point where the *Tritonica* is resting?

3. How far from the centre of the channel is the wreck of the *Tritonica*?

4. What action, if any, has the department taken to see that security is put up by the ship and/or her owners, for possible claims on behalf of consorts, ascendants, descendants, cargo, etc?

Mr. McIlraith: 1. (a) Yes; (b) no.

2. 1.9 nautical miles.

3. Approximately 300 feet.

4. No duty is imposed on the Department of Transport under the Canada Shipping Act in respect of claims against a ship and/or her owners following a shipping casualty, for death, injury or damage to cargo.

The wreck is located in a very dangerous position for coastal vessels many of which cannot get through in the winter against the tide even with icebreaker assistance. They are carried about by ice and currents waiting for favourable tide. The wreck, which cannot be marked by a lighted buoy in the winter months, is a serious hazard to these vessels so much so that the owners of the wreck have been required to remove the upper works this fall.

YEAR ROUND CROSSING OF MACKENZIE RIVER

Question No. 1,343—**Mr. Rheaume:**

1. Has any study been carried out on the feasibility of constructing a bridge across the Mackenzie river at or near Fort Providence to provide year-round use the Mackenzie highway system and, if so, what are the estimated costs of such a bridge?

2. Have any other means of providing a year-round river crossing been investigated and, if so, what are these alternatives?

3. Are there any plans to proceed with provision of a year round crossing of the Mackenzie river and, if so, when does the government expect to start this project?

4. If not, will the government undertake to look into the need to make the Mackenzie highway system operative on a year round basis?

Answer: 1. Yes; $6,500,000, based on limited initial investigations.

2. No.

3. No.

4. Yes, when the volume of traffic warrants.

FOREIGN OWNERSHIP OF PRIVATE TELEVISION STATIONS

Question No. 1,351—**Mr. Fisher:**

Has the B.B.G. received any information that the ownership situation of the private television stations at Vancouver, Windsor, and Halifax, has undergone any changes in the past two years, including share transfers or sales to foreign persons or corporations and, if so, what are the details of such changes, including the percentage of Canadian ownership at present, in each of these operations?

Answer: The board has received information that the ownerships in the licensees of stations CHAN-TV Vancouver, CKLW-TV Windsor and CJCH-TV Halifax have undergone changes. This information came in the form of applications for the transfer of shares in the licensee companies referred to the board by the Minister of Transport under the provisions of section 103 of the general radio regulations, part II. As the licensee companies involved are private companies and are not, therefore, required to make public the details of their share ownership, the board does not announce publicly all the details of applications for the transfer of shares in these companies, except where a change of ownership or control of the licensee company is involved. One such application by station CHAN-TV, Vancouver, has been received by the board in the past two years. This application involved the transfer of 4,987 shares of

stock all owned by Canadians, being transferred to other Canadian citizens, which resulted in a potentially different alliance of shareholders who could exercise control of the licensee. This application was recommended for approval by the board following a public hearing in June, 1963. The percentage of Canadian ownership in the three stations is as follows: CHAN-TV, Vancouver, 75 per cent; CKLW-TV, Windsor, 0 per cent; CJCH-TV, Halifax, 75 per cent.

PERSONNEL OF TELEVISION STATION CKLW-T.V., WINDSOR, ONT.

Question No. 1,352—**Mr. Fisher:**

1. Has the B.B.G. in hand any information on the citizenship of the sales director, T.V. sales manager, promotion manager, program manager, news director, sales manager (radio), and sales director T.V. of the Canadian television station CKLW, Windsor?

2. Has the B.B.G. in hand any information on the citizenship of the following talent roster of CKLW-T.V. Windsor: Messrs. J. Booth, L. Sands, T. David, W. Kenerdy, T. Clay, J. Van, J. Schafer, T. Lindsay, J. Gentile, J. La Lane, G. Hunter, L. Leslie, R. Wise and Mrs. Nancy Thomas?

3. Has the B.B.G. any information in hand which would indicate that Mr. E. Metcalf, sales director of CKLW-T.V. is an American, an employee of R.K.O., and effectively in control of the whole operation?

4. Has the B.B.G. made any recent analysis of the CKLW-T.V. situation, or given any warnings regarding American ownership or control to R.K.O.?

Answer: 1. No. The board does not have any such information.

2. No.

3. No.

4. The last analysis of the ownership of CKLW-T.V. was made by the board in March, 1963. The board has not given any warnings to R.K.O. regarding American ownership or control of the station.

DOCUMENTARY FILM ON NATIONAL PARKS

Question No. 1,354—**Mr. Dinsdale:**

Has the national film board been commissioned to prepare a documentary educational film on national parks and, if so (a) when was this film requested (b) when will it be available for distribution?

Answer: Yes.

(a) First discussions on the script took place on October 31, 1961. Financial authority to proceed with the production was received from the Department of Northern Affairs and National Resources on June 28, 1962.

(b) First release prints are expected by the end of December, 1963. Large scale distribution will start soon after April 1, 1964.

*SQUID BAIT, NEWFOUNDLAND

Question No. 1,356—**Mr. Tucker:**

1. Has the Minister of Fisheries any information concerning the availability of squid for bait purposes in Newfoundland and of the efforts of a private company in trawling for squid?

2. Will the government give immediate consideration to making available a dragger to trawl for squid within the three mile limit off Newfoundland?

Answer: 1. The Newfoundland bait service has procured approximately 500,000 pounds of squid which, with purchases from private firms and continuing catches, should meet winter requirements. Private firms are believed to have adequate supplies. Efforts to catch squid by trawling have not proven satisfactory.

2. Consideration is being given to further experiments along these lines.

REPORT OF COMMISSION ON PUBLICATIONS

Question No. 1,362—**Mr. Mather:**

1. What action has been taken respecting implementation of the royal commission report on publications?

2. Is any action contemplated by the government on this report during the present year?

Mr. Pearson: 1. The matter has been and is still under active consideration.

2. An announcement of government policy will be made in the near future.

COLOMBO PLAN PROJECTS IN INDIA AND PAKISTAN

Question No. 1,366—**Mr. Matheson:**

Since the inception of the Colombo plan what specific projects has Canada undertaken in each year, and at what costs for (a) India, and (b) Pakistan?

Mr. Martin (Essex East): (a)

India

Projects	Canadian Dollar Allocations
1950-52	
Bombay State transport	4,352,775
Mayurakshi hydro electric	496,953
1952-53	
Mayurakshi hydro electric	802,811
Locomotive boilers	1,815,452
1953-54	
Steam locomotives	11,000,000
Umtru hydro electric	1,163,957
1954-55	
Steam locomotives	10,470,043
Diesel generating sets	3,007,372
Biological control station	38,355
1955-56	
Kundah hydro electric stages I and II	11,500,000
Pest control	146,356
Magnetometer survey	125,000
Locust control trucks	135,685

Projects India (cont'd)	Canadian Dollar Allocations
1956-57	
Trombay reactor	5,000,000
Kundah hydro electric, stages I and II	7,000,000
Magnetometer survey	82,224
Film and filmstrips	275
1957-58	
Trombay reactor	2,000,000
Kundah hydro electric stages I and II	3,500,000
Biological control station	7,668
Co-Op movement training center	37,245
Cobalt beam therapy units	118,636
Cobalt beam source—Madras	8,000
1958-59	
Trombay reactor	1,000,000
Co-Op film scheme	50,000
Cobalt beam therapy units	114,480
Calcutta milk scheme	130,000
1959-60	
Trombay reactor	700,000
Power projects—feasibility study	58,718
Cobalt beam therapy units	135,520
Diesel shunter locomotives	1,540,000
Meteorological radio teletype	250,000
1960-61	
Kundah hydro electric stage III	3,500,000
Trombay reactor	600,000
Fuel rods—Trombay reactor	325,000
1961-62	
Kundah hydro electric stage III	9,200,000
Water-loop (Trombay reactor)	800,000
1962-63	
Kundah hydro electric stage III	9,300,000
Iddikki hydro electric	200,000
Crop spraying aircraft	300,000
Cobalt beam therapy units	148,000
1963-64	
Umtru hydro electric	650,000
Cobalt beam therapy units	200,000
Gamma cell units	60,000

(b) Pakistan

Projects	Canadian Dollar Allocations
1951-52	
Goalpara steam plant (Khulna)	32,764
Thal livestock farm	196,745
Cement plant	5,000,000
Air resources survey	2,000,000
1952-53	
Cement plant	500,000
Locust control	176,807
Warsak hydro electric	3,421,762

[Mr. Martin (Essex East).]

Projects Pakistan (cont'd)	Canadian Dollar Allocations
1953-54	
Cement plant	939,503
Warsak hydro electric	6,000,000
Tractor training school equipment	17,249
Mobile dispensary units	11,795
Air resources survey	1,000,000
Shadiwal hydro electric	1,359,657
1954-55	
Warsak hydro electric	2,000,000
Ganges-Kobadak steam plant	1,306,343
Dacca-Chittagong transmission line	4,006,343
Air resources survey	50,000
Biological control station	46,155
Lendhi poultry farm	3,106
1955-56	
Warsak hydro electric	7,000,000
Goalpara steam plant (Khulna)	2,025,000
1956-57	
Warsak hydro electric	9,200,000
Air resources survey	87,990
Locust control	80,413
Liaquat hospital contribution	2,000
1957-58	
Warsak hydro electric	9,000,000
Dacca-Chittagong transmission line	1,575,000
Air resources survey	155,000
Shadiwal hydro electric	2,000,000
Tarnab farm	2,277
Biological control station	9,228
1958-59	
Warsak hydro electric	500,000
Dacca-Chittagong transmission line	1,100,000
Pest control equipment	120,000
Locust control—Beaver aircraft	200,000
Sukkur—Natural gas station	3,329,000
1959-60	
Books and courses P.I.I.A.	15,000
Sukkur—Natural gas station	3,886,000
1960-61	
Aerial survey (Chittagong region)	500,000
Cobalt teletherapy unit—Karachi	82,000
1961-62	
Aerial survey (Chittagong region)	125,000
Bheramara-Goalpara transmission line	2,000,000
Comilla-Sylhet transmission line	500,000
Hardboard development scheme	500,000
Mineral exploration survey—West Pakistan	450,000
Aircraft and spraying equipment	200,000
Karachi port trust equipment	2,500,000
Sangu multipurpose scheme	150,000
Tabulating equipment	17,000

Projects	Canadian Dollar Allocations
Pakistan (cont'd)	
1962-63	
Bheramara-Goalpara transmission line	1,000,000
Comilla-Sylhet transmission line	2,500,000
Hardboard development scheme	900,000
Sangu multipurpose scheme	150,000
Refugee housing project	1,000,000
Crop spraying aircraft	400,000
Equipment for atomic energy commission	250,000
1963-64	
Bheramara-Goalpara transmission line	1,000,000
Comilla-Sylhet transmission line	1,500,000
Hardboard development scheme	450,000
Refugee housing project	1,000,000
Sukkur—Natural gas station and transmission line	1,800,000
Land use study	275,000
Engineering study—Sylhet steam plant	100,000
Hospital equipment	25,000
Equipment for fishing industry	2,750,000

TECHNICAL AND ECONOMIC AID PROGRAMS

Question No. 1,368—**Mr. Brewin:**

What are the amounts of the increases or decreases, in each case, in respect to various programs of technical or economic aid (a) given, or (b) announced, by the government of Canada since April 8, 1963?

Mr. Martin (Essex East): There have been no decreases since April 8, 1963 in the levels of Canadian aid programs. Increases which have been announced, but not yet come into effect, are:

(a) As announced by the government in August, part I countries (i.e., the more developed members) of the international development association, including Canada, have agreed, subject to necessary legislative action, to make available to the association new resources aggregating $750 million to enable the association after its first five year period of operation, to continue to finance on easy terms worth while development projects in developing countries. The payments would be made to I.D.A. in three annual instalments of $250 million each, the first instalment being due in November, 1965. Subject to enactment of the necessary legislation, the Canadian contribution would amount to $41,700,000 (U.S.), or more than $14 million (Canadian) per year.

(b) The Minister of Trade and Commerce in a statement on July 24 announced the government's intention to ask parliament to provide for a program for the supply of wheat and wheat flour to international aid agencies, including the world food program, and to developing countries which are not now commercial markets or where commercial exports are limited by capacity to pay. The minister said the intention was to increase on a progressive basis the amount of Canadian food aid in appropriate relationship to the total of our assistance activities, and that the total allocation for this purpose might rise to a level of around $40 million per annum over the course of the next few years.

(c) I announced in the House of Commons on October 15, subject to appropriation of funds by parliament, an increase in Canada's pledge to the United Nations special fund to $5 million (Canadian) for 1964 from the 1963 level of $2.35 million (U.S.).

INTEREST ON NATIONAL DEBT

Question No. 1,379— **Mr. Mather:**

What was the amount, in dollars, expended in the fiscal years 1960, 1961, and 1962 in interest payments on the national debt?

Answer: Interest in Canadian dollars on the public debt of Canada. Fiscal years ending March 31 of years stated: 1960, $735,630,175; 1961, $756,664,228; 1962, $802,919,207.

Source: Public Accounts of Canada, Volume I, appendix No. 6.

IMPORTS FROM BULGARIA

Question No. 1,401—**Mr. Ricard:**

What are the main products that will be imported from Bulgaria as a result of the recent wheat sale by Canada to that country?

Answer: The recently concluded Canada-Bulgaria trade agreement provides for an exchange of most favoured nation treatment between the two countries and a commitment by Bulgaria to purchase minimum quantities of Canadian wheat. In addition, it was agreed that trade offices may be opened both in Canada and Bulgaria for purposes of market exploration and trade promotion.

No discussions were held concerning specific commodities which the Bulgarian trade enterprises will offer to Canadian importers for sale in the Canadian market.

PAYMENT OF MEMBERS' TELEPHONE AND TELEGRAPH ACCOUNTS

Question No. 1,413—**Mr. Caouette:**

1. When is it expected that the government will issue directions for the payment, pursuant to Bill C-91, assented to August 2, 1963 of members' telephone and telegraph accounts?

2. What proportion of such accounts will be paid out of public funds?

Mr. Pickersgill: 1. It is not the government but the House of Commons which has the authority to prescribe payment of accounts

of members of the House of Commons pursuant to recommendations of the commissioners of internal economy. No recommendation regarding telephone and telegraph accounts has been made thus far.

2. Answered by 1.

QUESTIONS PASSED AS ORDERS FOR RETURNS

*COLUMBIA RIVER—CANADA'S SHARE OF DOWNSTREAM BENEFITS

Question No. 1,251—**Mr. Herridge:**

1. What are the latest estimates of Canada's share of downstream power benefits under the Columbia river treaty (a) by year (b) by capacity, and (c) by energy, for the first 60 years from ratification (assuming 1964) attributable to (i) Mica creek (ii) Duncan lake (iii) high Arrow?
2. By whom were these estimates prepared?
3. If the answer to 2 is not a Canadian authority, has any Canadian authority prepared similar estimates independently?

Mr. Martin (Essex East): The reply to this question is lengthy, and I wonder if the house would agree to making it an order for return, to be tabled herewith.

Mr. Speaker: Does the house agree?

Some hon. Members: Agreed.

Return tabled.

FEDERAL BUILDINGS ON INDIAN RESERVES, MANITOBA

Question No. 931—**Mr. Stefanson:**

1. What buildings have been erected by the federal government, with the cost of each, between June 21, 1957 and April 22, 1963, on the following Indian reservations: Fisher river, Peguis, lake Manitoba, Little Saskatchewan, lake St. Martin, Jackhead, Grand Rapids and Norway House?
2. What federal government buildings are planned for these reservations this year?

NORTHERN CANADA POWER COMMISSION

Question No. 1,179—**Mr. Rheaume:**

1. What is the capital investment of the Northern Canada Power Commission in each of the following locations in the Northwest Territories (a) Fort Smith (b) Fort Simpson (c) Inuvik (d) Fort McPherson (e) Aklavik?
2. What are the annual operating costs for the past three years of the stations (a), (b), (c), and (d) above?
3. What were the annual revenues from all sources for each of the stations listed in part (1) under the following headings (e) sale of electricity (b) sale of heat (c) sale of water and sewage services (d) other?
4. For each of the categories in part (3), what revenue was received from government agencies, and what revenue came from private persons and businesses?
5. What is the present charge to the consumer in each of the above settlements for electricity per kilowatt hour in each of the following categories (a) commercial rates (b) private consumer?

Return tabled.

[Mr. Pickersgill.]

MAYO, Y.T., AIRPORT IMPROVEMENT

Question No. 1,233—**Mr. Nielsen:**

Has the government received any representations for the improvement of the airport at Mayo in the Yukon Territory and, if so, from whom were such representations received, and what action is intended by the government in respect thereto?

Return tabled.

LABOUR RELATIONS

GREAT LAKES—CONVERSATIONS WITH U.S. PRESIDENT—PROCLAMATION OF TRUSTEESHIP LEGISLATION

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 ask him first whether in the last eight days he has been in communication with the President of the United States, either by letter or telephone, regarding the shipping difficulties on the great lakes; also whether the act respecting trusteeship has been proclaimed and, if so, the names of the trustees?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, so far as the first question is concerned the answer is yes. I have been in touch with the President of the United States on this matter.

So far as the latter part of the question is concerned, the act has not yet been proclaimed. It will be proclaimed without delay, and the names of the three trustees announced.

Mr. Diefenbaker: When is it expected these three trustees will be appointed?

Mr. Pearson: Well, Mr. Speaker, until last Saturday it was still hoped, and there was reason for hope, that a private trusteeship satisfactory to Canada and the Canadian Labour Congress particularly might have been reached, in which case the government would not have had the responsibility, under the agreement which was being proposed, for appointing more than one of the three trustees. That possibility was removed during the weekend, Mr. Speaker, by the action taken by the S.I.U. Therefore we have since that time, since yesterday, been getting in touch with three gentlemen who we think will be very good trustees, and as soon as we hear from them we will announce it to the house.

Mr. Diefenbaker: Will they be Canadians?

Mr. Pearson: Yes, Mr. Speaker, they will be Canadians.

Mr. Diefenbaker: That is what we have been asking for.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, in view of the great concern which is being felt in many quarters about the interference with or the stoppage of the ships engaged in the shipment of wheat, may I ask the Prime Minister whether any consideration has been given to the proposal or suggestion made by the premier of Saskatchewan that the government might give consideration to establishing a government controller of shipping to meet the present emergency situation?

Mr. Pearson: Mr. Speaker, I hope that the situation tomorrow will not require that kind of solution.

Hon. Paul Martineau (Pontiac-Temiscamingue): As a supplementary question, in view of the allegations contained in the telegram sent by the Minister of Labour to Mr. Banks that the Industrial Relations and Disputes Investigation Act has been violated, could the Prime Minister say whether the government is considering any sanctions?

Mr. Pearson: That matter is under consideration and will have to be viewed in the light of what happens tomorrow.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I wish to direct a question to the Minister of Transport. What other alternative arrangements are being made to ship greater amounts of wheat to the loading ports on the St. Lawrence through the increased use of our railroads?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, we are using the winter ports to full capacity now, and I do not understand the implication in the hon. gentleman's question.

Mr. Thompson: Then perhaps I might ask a supplementary question. How many Canadian railroad cars are presently being detained in the United States, and what arrangements are being made to have these returned to Canada in order that they might be used in this emergency?

Mr. McIlraith: Mr. Speaker, the two railway companies are doing everything possible to move the grain to the maximum of their capacity, and there has been no falling down in that respect.

Mr. Woolliams: My supplementary question—

Mr. Speaker: The hon. member for Red Deer.

Mr. Thompson: Mr. Speaker, my question was not answered. It was, how many Canadian railroad cars are being detained in the United States and what action is being taken to have them returned to Canada, so they can be used in this emergency?

Mr. McIlraith: There is always an exchange of cars between the two countries. I can find out the precise figure in the United States at the moment and bring it to the attention of the house, but this is a question that I could hardly be expected to answer without notice.

Mr. Woolliams: As a supplementary—

Mr. Speaker: The hon. member for Burnaby-Coquitlam.

Mr. Douglas: Mr. Speaker, may I direct a question to the Minister of Justice and ask him whether he has received a letter from Mr. Hal Banks contending that the public trusteeship legislation is in violation of the bill of rights; and, if he has received such a letter, has he any comment to make on this contention?

Hon. Lionel Chevrier (Minister of Justice): Yes, Mr. Speaker, I received a letter this morning from Mr. Hal Banks in connection with the matter which my hon. friend has alluded to, and I must say in reply that the trusteeship bill was examined in accordance with the statute by the deputy minister, as required by the act, and he has affixed his certificate thereto. Likewise, I have considered the measure, and in my opinion this legislation is not inconsistent with the bill of rights.

Mr. Nielsen: As a supplementary question—

Mr. Speaker: I believe the hon. member for Bow River was first, and then the hon. member for Villeneuve.

Mr. Eldon M. Woolliams (Bow River): Thank you very much, Mr. Speaker. My supplementary question should be directed to the Minister of Trade and Commerce. I wonder could he tell the house how many bushels of wheat have been delivered to Canadian ports under contract between the Canadian wheat board and the U.S.S.R., at the present time?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I may say, Mr. Speaker, I am not in possession of these figures. If the hon. gentleman would give me notice I can get the information for him.

Inquiries of the Ministry

Mr. Eric Nielsen (Yukon): Mr. Speaker, I wish to address a supplementary question to the Prime Minister. In view of the statements made by the Minister of Labour branding as clearly illegal, the action of the seamen in the S.I.U. visiting parliament hill today, is it the intention of the government to do anything about the so-called classification of illegality which the minister has placed on the visit of the S.I.U. seamen?

Mr. Pearson: Mr. Speaker, I have already had a question on that subject and said the matter was under consideration.

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I wish to address a question to the Prime Minister. Did the Prime Minister or the Minister of Labour see Mr. Hal Banks when he was here with his group of people today and, if so, what reply did Mr. Banks make to the instruction which the Minister of Labour issued that the S.I.U. members must return to work?

Mr. Pearson: Mr. Speaker, I have not seen Mr. Hal Banks today. Whether the Minister of Labour has or not, I am not sure. He is not in the house at the moment.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wish to direct a question to the Minister of Justice. Is the Department of Justice investigating whether Canadian shipping companies acted in collusion with the officers of the S.I.U. in the illegal walkout now taking place, in that they took no action to point out to their men that their actions were contrary to their collective agreement and the provisions of the Canada Shipping Act, and that they could be penalized for such action by dismissal, or in some other way? If so, if the department is looking at this, will it take steps to penalize the officers of the shipping companies as well as the officers of the S.I.U.?

Mr. Chevrier: Mr. Speaker, it is a fact that under the law there are sanctions which deal with men leaving their ships, but my understanding of the law is that the responsibility for laying charges or dealing with the matter lies with either of the parties under the agreement, and not with the Minister of Justice.

Mr. Douglas: What the hon. member was trying to ascertain, and I do not think the minister has answered it, is whether the minister is looking into the possibility—and there is some suggestion of more than a possibility—of collusion between some of the shipping companies and the men, whereby the men were granted permission to leave the ships on the very flimsy pretext that they were going to get legal advice and, if so, will action be taken with regard to this kind of action?

Mr. Chevrier: Mr. Speaker, I have no evidence to that effect at the moment, but I could ask the officers of the department whether there is any. Of course, even if there was, I must again bring to the attention of the hon. gentleman that there are a number of sections in the statutes providing for sanctions thereunder.

Mr. Douglas: Could I ask a supplementary question, Mr. Speaker. Has the minister received any protest from the shipping companies about the men walking off the ships? Surely the minister does not think it is enough for the Minister of Labour to send the men a wire saying that the walk-off is illegal, and then wash his hands of the affair and say it is up to the shipping companies to prosecute them, when the shipping companies themselves are part of this collusion.

Mr. Chevrier: I have received no protests, Mr. Speaker.

[*Later:*]

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, I have a supplementary question to the Minister of Transport further to that asked by the hon. member for Red Deer, who complained of the shortage of box cars. Will the minister, in his investigation of this matter, also look at the statement of a senior C.P.R. official which appeared in the Toronto *Globe and Mail* last Friday, which has just been verified, and says that it is useless or illogical to bring in any more trainloads of grain because of a shortage of vessels?

Mr. McIlraith: I will look into the matter, Mr. Speaker.

ST. LAWRENCE RIVER—INQUIRY INTO LONGSHOREMEN'S PENSION FUND

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, could the Prime Minister say whether or not a commission of inquiry has been set up with a view to looking into the pension fund of the I.L.A.?

Right Hon. L. B. Pearson (Prime Minister): Not to my knowledge, Mr. Speaker, but I think I should consult the Minister of Labour to make sure that I give the right reply to that question.

Mr. Diefenbaker: Has the Montreal local of the I.L.A. advised the government that, unless this commission is set up at once, it will consider the strike settlement as null and void?

Mr. Pearson: Not to my knowledge, Mr. Speaker, but I will be glad to look into it.

NORRIS COMMISSION—REPORT OF SPECIAL COUNSEL

On the orders of the day:

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I should like to ask the Minister of Justice whether he could inform the house when the house might expect the report of the special counsel, and when possible action might be taken with regard to prosecutions arising from the evidence before the Norris commission?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I was asked that question on Friday, and I am afraid I cannot add anything more to what I said at that time.

LABOUR CONDITIONS

REQUEST FOR EXTENSION OF WINTER WORKS PROGRAM

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): In view of the absence of the Minister of Labour, who must be holding consultations with a number of delegations, I shall direct my question to the right hon. Prime Minister. A few weeks ago I asked a question with respect to the winter house building incentive program, namely, could the government change the date of November 30 to that of October 30 for the beginning of operations?

Has the government come to a decision, since our area is considered as economically under-developed and the weather there is particularly severe?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I dealt with this question on Friday last and I have nothing to add to what I said at that time. If my hon. friend will look at *Hansard* for that day he will see the reply.

EXTERNAL AFFAIRS

SUGGESTED CONTRIBUTION TO UNIVERSITY SERVICE OVERSEAS

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, I have a question for the Secretary of State for External Affairs. In view of the fact that Canadian university service overseas is making a positive contribution to world peace on behalf of this nation, and in view of the fact that only $132,000 has been raised to meet a budget of $180,000 to keep 130 volunteers overseas untill the end of 1963, does the minister not think that financial assistance from the federal treasury would be justified at this time?

Mr. Speaker: Order. Would the hon. member kindly put that question on the order paper.

SUGAR

REQUEST FOR STATEMENT ON INQUIRY INTO PRICE INCREASES

On the orders of the day:

Mr. John R. Matheson (Leeds): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce. Has the government noted the continuing fluctuations in sugar prices and, if so, what is the government doing about it?

Some hon. Members: Order paper.

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, as the house is well aware, there have been many developments in the sugar market that have raised world sugar prices, including a typhoon and other developments of a different character. The observation we have made of the course of sugar prices is that Canadian prices have simply followed world prices. There has been no extraordinary development that seems to require any other explanation.

Mr. Diefenbaker: I am not so sure about that.

GRAIN

REQUEST FOR INCREASED CASH ADVANCES

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to direct a question to the Prime Minister. Due to the slowness in increasing quotas and the resulting hardship caused to farmers in northern Saskatchewan, would the Prime Minister let us know how soon the government will bring forward amendments to the cash advances legislation to increase advances to farmers?

Right Hon. L. B. Pearson (Prime Minister): I am not in a position to answer that question at the moment, Mr. Speaker. I will look into it.

Mr. Woolliams: Where is the Minister of Agriculture?

REQUEST FOR INCREASE IN QUOTAS

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to ask the Minister of Trade and Commerce whether he has any information to give the house on

a matter I raised in his absence on Friday. It was as to whether the wheat board has given consideration to an early increase in the two and three bushel quotas now existing, particularly in Saskatchewan and Manitoba, which are far below the corresponding quotas of a year ago.

Hon. Mitchell Sharp (Minister of Trade and Commerce): May I say to the right hon. gentleman that the quotas are a little lower now than they were a year ago, because at the beginning of the previous season there were only 200 million bushels in storage in country elevators while on August 1 of this year there were 370 million bushels. So there was more space in the elevators last year than there is this year. Because of the large crop we had stocks on hand at the beginning of this year amounting to over 100 million bushels in excess of those on hand a year ago, and that is why quotas are opening up more slowly. I am hopeful that if our shipping difficulties are overcome quotas will open up rapidly in the future and reach much higher levels.

Mr. E. Nasserden (Rosthern): Would the minister look into reports I have received to the effect that cars are virtually not available at many points in northern Saskatchewan?

Mr. Speaker: May I point out to hon. members that it is now ten minutes to five and that if we are to begin consideration of the supply motion at all we have only ten minutes in which to do so.

Mr. Diefenbaker: I do not often rise to make an objection, but this is not the first time Your Honour has felt it necessary to draw attention to the time when questions are being asked. It has happened two or three times before.

I often restrain myself from asking questions, but I must say with the greatest of deference to Your Honour that I see no reason under the rules for you to issue these injunctions.

TRADE

RUSSIA—POSSIBLE MARKET FOR EDIBLE OIL AND OIL SEEDS

On the orders of the day:

Mr. Reynold Rapp (Humboldt-Melfort-Tisdale): Mr. Speaker, now that the Minister of Trade and Commerce has returned from his European trade mission, would he inform the house whether the reports coming from Russia are true, that besides wheat Soviet farm failures have also hit oil seed crops, and that therefore there is also a shortage of edible oils? In view of this, would the minister now direct his officials to ascertain whether it is possible to establish in Russia a market for Canadian edible oil and edible oil seeds?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I will be very happy to have my officials look into this matter. When I was in Europe, while I was not in the Soviet union I had an opportunity of speaking to several people who are very well informed on developments in the Soviet union, and the general view that I formed from what they said was that there were certain developments within the organization of agriculture in the Soviet union that would lead one to believe that some of their problems are not only of a temporary character. I do not know how far this may extend to oil seeds, but it does seem to affect the whole field of cereals.

REQUEST FOR STATEMENT RESPECTING FORTHCOMING TARIFF NEGOTIATIONS

On the orders of the day:

Mr. Reid Scott (Danforth): I should like to direct a question to the Minister of Trade and Commerce based on a statement attributed to the deputy minister that the Kennedy round of tariff cutting may have to be delayed because preparations are not proceeding smoothly. In view of widespread interest in this matter, would the minister make a statement to the house as soon as possible as to the status of these preparations, so that we may know whether reports of delay are accurate?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Yes, I think it might be useful if I were to take an early opportunity of doing what the hon. member suggests. My officials and I have been in consultation, in various parts of the world, with various ministers. Others of my staff are back from Geneva. They have given me a preliminary report, and I think it might be useful if, in the near future, I were to set before the house the state of these negotiations. I know there are many industrialists in this country who have to be thinking about the advice they may be giving the government in connection with the next round of tariff negotiations, and I should like to give them as much help as possible.

GRAIN SHIPMENTS THROUGH PORT OF CHURCHILL

On the orders of the day:

Mr. Robert Simpson (Churchill): I should like to direct a question to the Minister of Trade and Commerce. Would the minister look into the desirability of making a report to the house on the most recent and very disturbing situation which has prevailed with regard to grain shipments through the port of

Churchill, keeping in mind the fact that, despite the fact that insurance coverage on vessels into and out of Churchill expired only yesterday, reliable sources report that due to a lack of shipping orders only one grain vessel has been loaded in the last ten days, and this under ideal weather conditions at this very efficient port?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I shall be glad to look into this. May I say to the house that the total shipments for this year did, as I suggested they might, establish a new record for the port of Churchill.

AGRICULTURE

PROVISION OF FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, I should like to put a question to the future minister of agriculture for eastern Canada, the Minister without Portfolio. Could he tell the house whether the government intends to set up in the near future a feed grain agency for eastern Canada, along the lines of the brief submitted to members of the house last Friday by the Catholic Farmers' Union and the Quebec Federated Co-operative?

Hon. Rene Tremblay (Minister without Portfolio): Mr. Speaker, I was very pleased to welcome last week, with the Minister of Agriculture, a delegation from the Catholic Farmers' Union of the province of Quebec. The suggestions made have been taken into serious consideration and the cabinet will soon decide on a policy which will then be announced in the house.

[*Text*]

PARTICIPATION BY MINISTER IN CATTLE AUCTION

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to address my question to the Prime Minister of Canada. Did the Minister of Agriculture inform the Prime Minister that he would participate in a cattle auction at Kingston on Tuesday last, October 15?

Mr. Pickersgill: Is that an urgent question?

Mr. Pearson: Put it on the order paper.

CONFLICTING STATEMENTS RESPECTING PLANTING OF WHEAT

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Minister of Trade and Commerce? In the address which the hon. gentleman delivered to the Saskatchewan farmers union on September 23 as reported in the *Union Farmer* he made an observation that it would be in the interest of western producers to devote less of their land to wheat than in the recent past. I should like to ask the minister if he can reconcile this advice with the statement made in Edmonton by the Minister of Agriculture on October 17, that there was an unlimited market for wheat grown by the Canadian farmer. I think the farmers would appreciate some direction as to what constitutes government policy; is it as enunciated by the Minister of Trade and Commerce, or by the Minister of Agriculture?

Hon. Mitchell Sharp (Minister of Trade and Commerce): When I spoke on the subject I discussed the question of whether it would be necessary, looking ahead for some time—I was not talking about the need today, as the hon. member will see from reading the text of my remarks—to devote 27 million acres to wheat, which was the amount seeded this year, in order to supply the demand. I said in the course of my remarks that looking ahead for some years—and I did in fact project as far as 1980—one could see a large and growing demand for feed grains. In these circumstances it did seem to me that farmers, in planning for the future, might consider whether they would get more out of their land by continuing to devote as much to wheat as they did, or whether they should not consider diverting some to feed grains. That is the position I took and it is, I find, exactly the same position as was taken by the Manitoba minister of agriculture, Mr. Hutton, when he spoke in Winnipeg at the beginning of this month. He set out the same considerations.

These are the considerations one ought to bear in mind in the future, but, of course, before any advice is given to parliament the government will be considering the whole question in the light of the information which is available as we approach seeding time. I have been in Europe, and the impression I got was that the demand for wheat will continue at a fairly high level during the coming crop year. I hope that is right. If this should prove to be the case, information of this kind will be given to the farmers and to the farm organizations who will be able to make their decisions as to what to seed in the light of all the conditions and in the light of the best information we are able to place before them at the time.

Mr. Douglas: I thank the minister for his statement, and I am not quarrelling with what he has said; but has he passed on that information to his colleague the Minister of

Agriculture, whose statement is wholly at variance with that just made by the hon. gentleman?

POST OFFICE DEPARTMENT

REPORTED DISMISSAL OF VETERAN'S WIFE

On the orders of the day:

Mr. R. A. Webb (Hastings-Frontenac): Mr. Speaker, I would like to direct my question to the Postmaster General. Is it government policy to dismiss from employment the wife of a young veteran, herself a veteran with five children, in a purely political move?

Some hon. Members: Order.

Mr. Speaker: Order. I do not think the hon. member's question is in order.

Mr. Webb: On a question of privilege, Mr. Speaker, this young woman received notice last Friday that her services would be terminated on November 4. With her ability and personality she increased the revenue of this small post office by $2,100 in one year, and she has now been notified that she is being dismissed.

Some hon. Members: Shame.

Mr. Pigeon: The bill of rights.

Hon. Azellus Denis (Postmaster General): Mr. Speaker, if the hon. member would like to put his question on the order paper he will receive a proper answer.

Mr. Webb: On a question of privilege, Mr. Speaker; I wrote to the Postmaster General, but to no avail.

Some hon. Members: Oh, oh.

Mr. Pigeon: Patronage.

PRIVILEGE

MR. NIELSEN—INCOMPLETE ANSWER TO QUESTION ON ORDER PAPER

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege. My question of privilege is raised now because this seems to be an opportune point at which to do it. I have put several questions on the order paper, as Your Honour will probably have noticed, and have received answers to about half of them. As I understand it, the placing of questions on the order paper is for two purposes; one is to save the time of the house in asking them as verbal questions on orders of the day, and the other is to obtain information that is public information and not classified as privileged.

The answers to questions so far from the government have been very sketchy indeed.

As one example I might quote to Your Honour the answer to my question 1,272 today. The second part of that question was:

> Have the plans and specifications of the project been completed and, if so, when is it intended to call for public tenders on the job?

The answer to that is "No". This is typical of a good many of the answers that have been given. Together with the hon. member for Hastings-Frontenac (Mr. Webb) I would ask, what is the point of asking questions unless there is going to be some effort made on the part of ministers of the crown to give more complete answers?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I think perhaps I should be permitted to say a word on the point of order, or question of privilege, whichever it is the hon. gentleman has raised.

Mr. Nielsen: Privilege.

Mr. Pickersgill: I would draw attention to the fact that the order paper shows, as anyone can see, that well over 1,100 questions have already been answered in this parliament, which must be something of a record. I might say also that the hon. gentleman's example of a question was an exceptionally poor one, because he was not asking about something that had been done, but about something that might or might not be done in the future. It seems to me there is a rule of the house that hypothetical questions should not be asked or answered.

Mr. Nielsen: On the question of privilege, Mr. Speaker, the first part of that question was:

> Does the government intend to proceed with the construction of a minimum security penal institution in the Yukon territory and, if so, where is the intended location of such institution?

The answer given to that part was complete and I am satisfied with it. But the second part of the question was:

> Have the plans and specifications of the project been completed and, if so, when is it intended to call for public tenders on the job?

The answer given was "No". The answer to the third part of the question was:

> It is anticipated that construction will begin in 1964, for completion in 1965.

This is an example of the incomplete answers we are getting. The Secretary of State is certainly no expert in the construction of questions. He knows, as any minister of the crown knows, what the questions mean. My questions are carefully thought out. I could ask them on the orders of the day and waste a good deal of the time of the house, just as the Secretary of State

used to do during the last session; but I am trying to co-operate, as is the hon. member for Hastings-Frontenac. Yet all we get is evasion and equivocation.

Mr. Pickersgill: It would, I think, be too much to expect that I should not have a word to say in reply. The hon. member said he could waste the time of the house by asking questions. Surely if his questions are a waste of the time of the house they should not be asked on orders of the day, and they should not be put on the order paper either.

I may say I have here the total number of questions asked on orders of the day during the last session and in the first 70 days of this session. I find that in the session 1962-63, there were 1,705 questions asked on orders of the day. In the first 70 days of this session, the number is 2,941. So, if there is any question of wasting time, hon. members can draw their own conclusions. I have the statistics by parties, too, should anyone be interested in having them.

Mr. MacInnis: I was about to rise on a point of order and draw Your Honour's attention to the fact that the Secretary of State was in no way referring to the question of privilege raised by my hon. friend from Yukon. While I am on my feet I would once again respectfully remind you, Mr. Speaker, that the Secretary of State has risen seven times without having been recognized by the Chair.

Mr. Nielsen: I should like to say, on my question of privilege, that I am trying to co-operate with the government by putting my questions on the order paper in order to obtain information to which I feel this house and my constituents are entitled. I believe hon. members who sit on this side are entitled to do this, and the least we can expect is some kind of co-operation from the government and answers to our questions which are reasonably complete.

HOUSE OF COMMONS

DELAY IN RECEIPT OF FRENCH "HANSARD" AND COMMITTEE REPORTS

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, my question is directed to the Secretary of State and concerns the request he made to the members of the house to help him in working out the problem of the delays in the French edition of the committee reports.

Is the Secretary of State aware that for some time now the working hours have been reduced by one hour and a half every day for the staff looking after the French debates reports at the printing bureau, that is the employees work from 11.30 p.m. until 7.30 a.m. instead of 10.30 to 8 o'clock and that, in order to save an hour and a half overtime?

Further, is the Secretary of State aware that overtime was authorized for the preparation of English *Hansard* and English committee reports, while there was a formal objection made as regards the French *Hansard* and the French committee report?

Is the Secretary of State aware that every time texts are to be printed, formal orders were given at the printing bureau that the English debates and committee reports should constantly and continually have priority over the printing of French debates and French committee reports?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I am, of course, not aware of any of these situations, but as one of the commissioners of internal economy I will be glad to ask my fellow commissioners, with Your Honour, to look into it.

UNITED NATIONS

INQUIRY AS TO MOTION CENSURING EUROPEAN COLONIALISM

On the orders of the day:

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, may I direct my question to the Prime Minister. We have read with interest, and I would say approval, the speech of the Secretary of State for External Affairs made to the United Nations on October 18 condemning the South African regime for its policies of apartheid.

Some hon. Members: Question.

Mr. Mandziuk: I am coming to it, gentlemen. Does the Prime Minister or his Secretary of State for External Affairs plan in the near future to move a motion of censure against colonialism as practised in Europe?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, discrimination should be condemned wherever it appears. Violation of human rights and freedoms should be condemned wherever it appears, especially, if I may say so, with respect to countries which have once known freedom and lost it.

Mr. Mandziuk: A supplementary question. Does the Prime Minister recall, at a meeting in Toronto on March 5, 1963, promising to the ethnic press that he would do just that, in competition with the right hon. gentleman who is now Leader of the Opposition?

Mr. Pearson: Although this is not a question for orders of the day, the hon. gentleman

has misinterpreted what I said at that meeting. I would be glad to show him a transcript of my remarks.

Mr. Mandziuk: I have it right here.

Mr. Pearson: The right hon. gentleman and his leader made the specific statement that a resolution would be introduced to this effect. At the meeting in question I expressed the feeling that perhaps a resolution would not be the best way of going about it, because a resolution advocating this kind of liberation —which was defeated—would do more harm than good.

Mr. Mandziuk: On a question of privilege, may I read an extract as reported by the Canadian Press.

Some hon. Members: Order.

Mr. Speaker: I think the hon. member should state his question as quickly as he can.

Mr. Mandziuk: On a point of privilege, the right hon. gentleman as much as told me that I had misinterpreted him, and I want to put on record the exact expression quoted by the Canadian Press. It is only two sentences.

Mr. Pearson: If the hon. gentleman is going to put on the record a paragraph of or an excerpt from my statement, surely I will have the right to put the whole statement on the record so far as it relates to this matter. If, Mr. Speaker, you are going to allow this to be done as a matter of privilege, a matter which should be discussed in debate, then I would expect the same right, as a question of privilege, to put on the record what I said in this regard as well as what the right hon. gentleman said. He has been mentioned by the hon. member. We can go on indefinitely doing this.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, for some reason the Prime Minister took it upon himself to say what I had said and what he had said. All the hon. gentleman wants to do, in view of that gratuitous explanation given by the Prime Minister, is to place before the house the actual facts.

Mr. Pearson: Mr. Speaker, on that point, the right hon. gentleman should listen more carefully to the statements of his followers. The hon. member for Marquette mentioned him in connection with the statement. He mentioned the statement which he had made and compared it favourably to one I was supposed to have made. That is why I brought the right hon. gentleman into it.

[Mr. Pearson.]

FINANCE

TOBACCO—REPORTED PROMISE TO REDUCE TAXES

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to address a question to the Prime Minister. Is it the intention of the government to reduce taxes on tobacco, as the Prime Minister promised in Joliette in the last election?

BUSINESS OF THE HOUSE

WITHDRAWAL OF QUESTION PASSED AS ORDER FOR RETURN

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, on June 3 the house passed a question of mine, No. 12, as an order for return. I have received a request from the Minister of Public Works that, because of certain limitations in connection with it, I consent to withdrawing this question. I do not quite know how this should be done, but I will withdraw the question, and I assume that this will wipe out the request for the order for return. In case anyone who follows *Hansard* is interested in information, I should like to put on record that I have been supplied with what I wanted from the question.

[*Later:*]

Hon. J. W. Pickersgill (Secretary of State) moved:

That the order of the house dated June 3, 1963, for a return to question No. 12 be discharged.

That was the matter brought up by the hon. member for Port Arthur today and it seemed to secure the general acceptance of the house.

Motion agreed to and order discharged.

POWER

QUEBEC—REACTION TO ANNOUNCEMENT RESPECTING NATIONAL GRID

On the orders of the day:

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I have a question for the Prime Minister. I wonder if the Prime Minister has now checked up on the statement made by the Minister of Trade and Commerce regarding the establishment of a national power grid, of which the Prime Minister stated he knew nothing in the house last Monday. Has he now received representations from Mr. Lesage in this regard?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, I have not yet had an opportunity to check this matter with the minister, but I will do so as soon as possible.

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Jack A. Irvine (London): Mr. Speaker, I should like to address a question to the Prime Minister. Will he inform the house whether the minister of education is participating in another election today, or is he away on departmental business?

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, under our constitution there cannot be a minister of education in this house.

Mr. Irvine: I am sorry; I meant the Minister of Agriculture.

Mr. Pearson: The Minister of Agriculture is away on official business, as he always is when he is away from the house.

NATIONAL DEFENCE

INQUIRY AS TO REPORTED NEW ROLE FOR AIR FORCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of National Defence. I asked him a question last week about certain newspaper reports in regard to the new role of the R.C.A.F., and the minister said that these reports were not official. May I ask the minister now if these reports emanated from his executive assistant, Group Captain Lee?

Hon. Paul Hellyer (Minister of National Defence): Certainly not to my knowledge, Mr. Speaker.

Mr. Speaker: It being five o'clock p.m.—

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, before you see the clock, since it would be an injustice to the opposition, and since a supply motion is to be called, I wonder whether you could just not see the clock and have orders of the day called so we can proceed with the supply motion.

Mr. Speaker: I try to accommodate as many people as possible, but I would call the attention of the house to standing order 15, subsection 4:

> When a debate on a motion "that Mr. Speaker do now leave the chair" for the house to go into committee of supply is in progress at five o'clock p.m. on either a Monday or a Tuesday, the order for private members' business on that day shall be suspended.

Mr. Pickersgill: What I was asking, perhaps by way of unnecessary circumlocution, was that there might be unanimous consent that the house proceed with the supply motion.

Mr. Speaker: Does the house give unanimous consent?

Some hon. Members: Agreed.

SUPPLY

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

LABOUR RELATIONS—ALLEGED FAILURE TO DEAL ADEQUATELY WITH DISRUPTION OF GREAT LAKES SHIPPING

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, this is a traditional opportunity that is provided in the House of Commons for the bringing before the house of such matters as are of importance and deserve the consideration of the house. It is historic, it is traditional and it assures a privilege that is part and parcel of parliamentary government. It enables the house to give consideration to those matters which, in the opinion of its membership, have not been dealt with in a proper or expeditious manner. Furthermore, it enables the house, where amendments are moved, to judge the government of the day on the basis of any amendment or subamendment that may be put forward.

I know that the question of confidence is one that is being discussed today in all parts of our country and even beyond. Everywhere, not only in Canada but abroad, reference is being made to the loss of confidence not only on the part of people within our own country but beyond. Indeed, in strange places arguments are being advanced that one would not have thought possible a few months ago.

I remember so well that over the years the Prime Minister (Mr. Pearson) and the Secretary of State for External Affairs (Mr. Martin) used to read with becoming modesty the editorial comment in the London *Economist*. That fine periodical was regarded as the voice of wisdom itself. It was quoted and requoted. I have before me the issue of the London *Economist* of October 19, 1963, which contains an article entitled "Ottawa's Low Ebb". It reads in part as follows:

> Canada is always ripe for an argument and usually for a wrong diagnosis. Scarcely recognizable as the same place of five months ago, Ottawa gives the impression today of a rudderless mess.

I am only going to quote a few brief references. The article goes on to say:

> The phrase "sixty days of decision", coined for the Pearson government, was bound to blow up in the sloganmakers' faces.

The article continues:

> The tragic thing is that so much of the promise of intelligent liberalism has been lost so quickly.

The ardent new frontiersmen of six months ago now admit that one more mistake, a single inadvertence, must bring the government down.

This is from an international magazine that was accepted as the gospel whenever it was critical of the former government, and it was invariably produced as a witness in support of the arguments that were then used by the Liberal party. The article goes on to refer to "the depths of insecurity and indignity that Mr. Pearson's government has so quickly plumbed after all its brave noises in April".

I recommend this article to the various ministers sitting opposite. I know they will be anxious to read it. It is interesting. It talks about the situation and says:

It began six months ago with brave ideas of running Canada on a logical, centralist economic policy—with development planning, federal pensions and municipal loans—and seemed then prepared to take on a decisive struggle for federal as against provincial power. It has taken no longer than this for the provinces to see these federal pretensions off, and with no need for a struggle after Ottawa's display of political weakness.

I look at these master men opposite and I read in the *Economist* these words: "Display of political weakness". The article continues:

Thick planks of Liberal policy have been shattered and the effectiveness of central government in Canada, under whatever party, has been dealt a severe blow.

The rest of it is equally good reading.

Mr. Pickersgill: Gloom and doom.

Mr. Diefenbaker: I think of the change. I think of a year and a half ago when these people opposite talked about anti-Americanism and how they were going to bring about a new day. Here is what the communique said that was issued on the 11th of May, 1963 following the meeting between President Kennedy and the Prime Minister. You will recall, Mr. Speaker, that the Prime Minister said the other day that any time he wanted to call the President on the phone he could do so. Any one of us could do that. The other side of the question is that the president does not always answer. But this was not so when they met at Hyannis Port. The honeymoon is over, but they are still speaking to one another. What did the communique say?

It was agreed that both governments should always deal in a positive and co-operative manner with developments affecting their international trade and payments.

I am not going into that because I know that the Minister of Finance (Mr. Gordon) will be able to give the house some information in that regard.

Wise co-operation across the border can enhance rather than diminish the sovereignty of each country by making it stronger and more prosperous than before.

[Mr. Diefenbaker.]

The Prime Minister has agreed.

On the great waters that separate and unite the two countries—the St. Lawrence river and the great lakes—it is essential that those who own and sail ships should be free to go about their lawful business without impediment or harassment.

Page Mr. Wirtz. Bring in Mr. Meany.

The Prime Minister and the President shared a common concern at the consequences that could result from industrial strife on this central waterway.

Then, come these immortal words:

The Prime Minister and the president stressed the importance of each country showing regard for the views of the other where attitudes differ. For this purpose they are arranging for more freqeunt consultation at all levels in order that the intentions of each government may be fully appreciated by the other and misunderstanding avoided.

I am not going to go into those six misunderstandings upon which they are in complete disagreement. Then, the communique continues:

The Prime Minister and the President look forward to a period of particularly active and productive co-operation between the two countries.

What kind of co-operation has there been? What have these masterminds been able to achieve? Well, on this occasion I am going to deal with the labour situation. I begin by referring to an editorial in the *Financial Post* which has never been regarded as being entirely prejudiced in our favour. The editorial in the *Financial Post* of October 19, 1963 is entitled, "Kennedy to Meany to Hall to Banks." It reads in part as follows:

President Kennedy wants to be re-elected next year but Canadians don't like being a punching bag in his political warm-up.

Then, it says this:

But more and more the habit of pushing other people around is growing...in Washington.

I ask you to read this editorial. I am not going to read it in detail unless someone insists on having his curiosity satisfied. It says:

Take the latest example of outrageous interference—the American pressure against the Canadian government—over the labour union war on the great lakes. Belatedly, the Canadian government stepped into this mess—

This is not the same mess as was referred to in the account of the *Economist*; that was a mess covering everything. This is just the labour mess.

—the trustee scheme is about to be implemented. But the spectacle of the White House and the U.S. secretary of labour and whole weighty machinery of the U.S. government being gassed up to tell the Canadian government what it can and cannot do about a Canadian problem is, to say the least, unpleasant.

Now, sir, this is a most amazing change of viewpoint. A year ago, six months ago,

they said I was anti-American simply because I said Canadian policy would be determined in Canada by Canadians. This statement was ridiculed over there. I am not going to quote unless I am asked to do so, but the quotations will be complete if I am. Then, it goes on to say:

> Here is the cast of characters and here is the play. Kennedy needs the labour union vote in his presidential contest next year. That means he needs the unqualified support of George Meany, the powerful head of the A.F.L.-C.I.O. To protect his hide, Meany needs all the friends he can keep and so he will do anything to please Paul Hall, the very powerful international boss of the seafarers' union.
>
> Paul Hall, in turn, very much needs the support of Hal Banks—and the money Banks gets out of his Canadian union members.
>
> So when the U.S. secretary of labour solemnly makes an official pilgrimage to Ottawa—

—and nobody can recall that happening before.

> —and when he makes public declarations telling the Canadian government what to do, he is merely doing a chore for Kennedy who wants to do a favour for George Meany, who needs Hall, who needs the notorious Hal Banks.
>
> From Mr. Kennedy's point of view, Canada is quite unimportant. It would, in most respects, be a lot simpler for the White House and the U.S. government if we didn't exist at all as a separate country.

Then, on October 19 there is another article in this periodical which condemned us for being anti-American because we dared to say to the United States: "We will co-operate with you; we are together facing the problem of maintaining freedom. We have done our part all over the world, but we are going to determine our policies on the basis of Canadian needs." On October 19, 1963, the *Financial Post* has an article captioned "White House now think Canada is just a nuisance." How has this come about? One has only needed to follow the action taken by this government in connection with the labour dispute on the great lakes to realize how uncertain has been the attitude of this government, how desirous of taking the easy course. I expected that today the Prime Minister would be announcing some action. However, we received the same reply: Tomorrow, just wait until tomorrow. When we asked him today, what are you going to do, he replies: Tomorrow. John Macdonald used to have that name, old man tomorrow.

When I asked the Prime Minister a question concerning the international longshoremen, he said he had no information. However, the telegram was sent to the Minister of Public Works (Mr. Deschatelets) at 12.11 a.m. A summary of the telegram is this: The International Longshoremen's Union says that if the Minister of Labour (Mr. MacEachen) does not set up immediately a commission of inquiry into the pension fund, they will consider the strike settlement null and void. I point out that was the main issue of the strike, and an inquiry was promised by Judge Lippe. I asked the Prime Minister about that very serious matter and he said he had no information but would look it up. This telegram was sent to the government on Friday, at twelve noon, at a time when there is a challenge in all Canadian ports, at least most of them, to shipping.

Mr. Deschatelets: I rise on a question of privilege, Mr. Speaker. The right hon. gentleman just said that a few days ago a telegram was sent to me.

Mr. Diefenbaker: I did not mention the minister.

Mr. Chevrier: Yes, you did.

Mr. Diefenbaker: I beg your pardon; it was the Minister of Labour. I thank the hon. gentleman because that was just a slip. I was going to deal with him a little later, and I suppose public works came to my mind. There is a minister from the city of Montreal. I wonder whether or not he knew about the telegram? The Prime Minister, the head of the government, did not. There is the possibility of the settlement of the strike being broken, but the Prime Minister knew nothing about it. Today he says: "Tomorrow you will get the information."

I am not going to deal with anything other than this labour situation, because it reveals the inherent weakness of the government, diplomatic postponement, promises of action, and looking for the easy way. I repeat what I have said before, that if the government had acted early in August, and it had the support of parliament, many of today's difficulties would have been avoided. But what did the Prime Minister or his colleagues in the cabinet say?—and it must be remembered that he is the one responsible for them. They said, "We cannot do it; it is very difficult legislation." Well, we have read the trustee legislation and there is nothing very difficult in the wording or drafting of it.

If you follow the record of this government that used to tell us what it would do and how decisive it would be, you can only conclude that on the labour situation, dangerous to the economic position of our country, its record has been a syllabus of pusillanimous pussy-footing for the last several months. The members of the government have dallied on and on; they have postponed; they have been timid, but their timidity masqueraded as diplomatic definance. It has been an amazing picture.

The government decided it would ask the President of the United States for some help.

It would be interesting, Mr. Speaker, if we had a blow by blow description of that conversation. I am speaking about the one between the Prime Minister and the President, after the President waited several hours overnight before he would take the phone. The Prime Minister said, "I can call him at any time—"

Mr. Pearson: On a point of privilege, Mr. Speaker, I have already stated that is a false statement. Perhaps the right hon. gentleman will accept that.

Mr. Diefenbaker: Mr. Speaker, that is not a question of privilege.

Mr. Chevrier: It is.

Mr. Pearson: On a question of privilege, Mr. Speaker, when the right hon. gentleman, who has been prime minister of this country, makes a statement which has been branded as false, then the right hon. gentleman should accept that.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order.

Mr. Diefenbaker: This is not a question of privilege. This is an old game.

Mr. Deputy Speaker: Order. I am sorry, but I did not hear the point which was sought to be made by the right hon. Prime Minister, so it was a little difficult for me to determine if there was a question of privilege. I could rule on that if I heard the point.

Mr. Pearson: Very well, Mr. Speaker, I will make it quite clear what the question of privilege is. The right hon. gentleman has made a statement which I have already designated in the house as false, and which was accepted as such by the house. Now the right hon. gentleman is reiterating that statement today. He has no right to do that, and surely he knows it.

Mr. Diefenbaker: Mr. Speaker, that is an old game, to call it privilege. There is no privilege in that. I am giving the interpretation as to what happened. I asked him whether he called the President and he answered that he tried to get him on Friday evening. The President was not answering, even though the Prime Minister had said he could call the President at any time.

Mr. Pearson: On a question of privilege, Mr. Speaker, that statement happens to be false and I ask the right hon. gentleman to accept my denial. Surely a man who has been prime minister of this country is not going to continue to repeat falsehoods in this house.

[Mr. Diefenbaker.]

Mr. Diefenbaker: Speaking of falsity, I remember this same man who is Prime Minister today; I remember all the things he uttered both before and during the election campaign. He is the one who speaks about falsity, but the record is clear as can be when it comes to falsity. He is giving me a lecture today, but may I point out to him that the other day in this house he said, "How cheap can you get"?

He would lecture us on the proprieties. I only wish I had a copy of some of his speech on September 18, 1962, when he spoke language that the leader of any party should not use. Yet he tries to parade as one who is just so nice. When you listen to him on the radio you would think that there but for—you know what Churchill said about Sir Stafford Cripps.

I repeat what I have said, and it cannot be denied factually. I know it touches his finer sensibilities because after all, Mr. Speaker, you remember this magnificent document, the extracts from the joint communique to which I have just referred. You have just to look over this period of five or six months to understand why he feels annoyed.

They were going to co-operate together. Then this government plastered the United States with a 30 per cent sales tax on shares purchased externally, but it had to back down. Then members of the government went over to the United States and they were going to bring about a reduction in the amount of automobile parts imported by Canada from the United States. That was part of their policy, but again they backed down. I have read the statement which the minister made the day before yesterday, and it is quite different from what he said previously.

Then there is the labour question, and also the cancellation of an order by the United States department of defence for Canadian aircraft. All this happened in this period of a new heaven and a new earth that were going to be brought about by the change of government.

Sir, there is no help from the United States in this labour difficulty, because Mr. Kennedy needs votes. I heard that on the radio from the United States within the last few hours, and over the week end there was a meeting of labour men in western Ontario who concluded they could expect very little co-operative support from the United States in controlling this situation on the great lakes because the A.F.L.-C.I.O. is a body whose support is needed by the President of the United States.

The record has been one of worsening relations from the very beginning of the government's tenure of office. The ministers have been theorizing as to what they were going to do economically and otherwise. We have had political cackle masquerading as economic wisdom, and having to be withdrawn. That has been the record all the way along.

It is natural that, with all this running back and forth by the government, the Washington administration should think anything they would do would be acceptable. Well, what has taken place? I know how the backbenchers in the Liberal party think about it. They had a caucus the other day and I am told the private members wanted a larger voice in the government.

An hon. Member: They might do better.

Mr. Diefenbaker: Well it could not be made any worse.

The record in this labour situation has been frightful. Today when we asked questions, and knowing there was going to be a supply motion, the answers given us were, "We will give you full information tomorrow." Wait until tomorrow has been the promise all the way since last August. The government tried everything and finally brought the trusteeship legislation before parliament. Parliament did not hold it up. It approved the legislation almost unanimously, only four members having disagreement with some matter or other and not giving it support. The legislation was passed; but now there is further delay and the excuse has been that the government was wishing for some system to be arranged whereby the legislation, distasteful as it is, would not have to be brought into effect. Well, Mr. Meany has given his views on the whole situation. In his release he condemns what has been done in Canada. He says:

> A subsequent one-man commission of inquiry appointed by the Canadian government became the vehicle for a vitriolic and vengeful attack upon the S.I.U. of Canada and its leadership.

Then he says:

> In an effort to avert such legislation and to reach an acceptable solution, there have been exchanges between the A.F.L.-C.I.O., the Canadian Labour Congress, the United States secretary of labour and the Canadian ministry of labour. We have co-operated fully—

He is speaking of his organization:

> —in an effort to reach agreement on a proposal whereby a voluntary joint A.F.L.-C.I.O. and C.L.C. trusteeship would be established over the seafarers international union of Canada. Such a trusteeship would have full and complete authority over the officers and operations of the union and would function with the complete support of the A.F.L.-C.I.O. and its international affiliate, the S.I.U. of North America.

Then he says:

> These discussions failed because of disagreement on two basic issues:
>
> The first was composition of the trusteeship. The A.F.L.-C.I.O. was prepared to accept a two-man trusteeship, one person to be designated by the A.F.L.-C.I.O. and one by the C.L.C., with the provision that in the event of any disagreement between them, the issue would be referred to a four-man committee composed of the president of the A.F.L.-C.I.O., the president of the Canadian Labour Congress the United States secretary of labour and the Canadian ministry of labour.

We could not get this information in this house. We have to get it from Mr. Meany in a report to his representatives across the United States. Then he goes on to say this:

> The Canadian Labour Congress would not agree to this proposal. They insisted that the joint trustees turn directly to a third party in the event of a disagreement and that this third party must be a Canadian national.

Then he goes on and condemns this plan in general, and finally concludes by saying:

> The A.F.L.-C.I.O. is just as opposed to the goverment control of unions in Canada as in Honduras or Peru or any other place on earth.

They played around with these people, and while they played our economy was in danger of being throttled. They secured a tremendous order from the U.S.S.R. It was very obvious when I listened to the Minister of Trade and Commerce (Mr. Sharp) today, when he spoke of the advice he had given two months ago to the western farmers, that he had no idea that Russia was going to be in the market for wheat. They came over here and entered into an agreement, and I think they surprised the government by their offer to purchase.

We now face a very serious situation. We ask, "What are you going to do about it?" We receive the same answer as we received in July and August. There is always an excuse; some other thing is going to be done. They got parliament to put through the legislation and then decided they would play around with it and take the easy course.

Mr. Woolliams: The politically expedient course.

Mr. Diefenbaker: That has been the course throughout. Today we face a serious, a dangerous situation. I say immediately that our attitude in this opposition throughout has been not to take political advantage of the government in this difficult matter.

Some hon. Members: Oh, oh.

Mr. Diefenbaker: We voted for the legislation. How much further could we go? We supported the legislation, recognizing at the same time the fact that it was legislation of a kind that should only be very temporary and that the only reason for bringing it in was the fact that there was no other course

open. The Conservative party, as Her Majesty's loyal opposition, has in the past two or three months on this particular matter, and on other matters too—but I am speaking about labour now—done nothing to take partisan advantage of the government's action. I was glad today to have the assurance that at last they have come to a realization that this board should be Canadian. That is what we were asking for.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: They did not think that a few weeks ago, or even a few days ago. We in Her Majesty's loyal opposition will at all times support the government in any action that upholds the sovereignty of parliament and the independence of Canada against outside interference. That is the stand we took. For two years we were criticized and ridiculed by those who now occupy the treasury benches. They said, "Isn't the situation terrible? We will bring about"—and I repeat this because it was the picture put before the Canadian people—"that new heaven and that new earth". Relations with the United States were going to be the epitome of perfection. It has been a most sorry, sorry record. They were going to bring about an Atlantic union—that was the first thing they were going to do—and the New York *Times* says they have adopted a protectionism that will set back the Atlantic union for years to come.

These were the people who were going to co-operate and who said we were so wrong in daring to say that Canada would determine its own policies. Sir, dawdling accompanied by tranquilizing statements has been the record of this government for the last three months on this question. Their attitude has been to play around, postpone and hope that something will come up. We tried to warn them in August. Do you remember what the Prime Minister (Mr. Pearson) said? He said that the mere announcement of the legislation to provide a trusteeship would, he hoped, bring about peace on the great lakes. There was two months delay, giving the opposition to the government's policy time to organize. What would you expect, when the government of Canada had announced that if there was anything of a tyrannical nature on the great lakes parliament would be recalled? A Canadian ship was dynamited. Nothing was done about it. Nero fiddled while Rome burned. This government fiddled, hoping for an easy solution. They showed weakness, uncertainty.

An hon. Member: Fumbling and bungling.

Mr. Diefenbaker: They used to talk about bungling. I give you exhibit No. 1 in the person of the Prime Minister. They called in American officials. Mr. Wirtz came here.

Mr. Pearson: Gloom and doom.

Mr. Diefenbaker: He tried to put pressure on Canada. I asked the Prime Minister about this, and he said, "Oh, no; the statement he made was not that". This was the first statement Wirtz made. They always took the easy way out. What was the result of all this? The result was that in the United States it was taken for granted that this was a government that could be pushed around with impunity and ease. They were pushed easily. Meany and Paul Hall were met with trepidation and timidity. You cannot blame them across the line for not taking Canada seriously. Had there been a 30-minute display of firmness at the beginning, an unmistakeable determination to act, all this would have been avoided. After all, in facing up to Hal Banks, diplomatic give and take is not one of the elements he understands as being evidence of strength.

Now what have we got? We have the promise from the Prime Minister: Wait until tomorrow. We have a situation today bordering on anarchy in Canada. Political considerations have no place here when there is anywhere in this nation a desire to supplant parliamentary legislation, right, and order on the part of any group within this country of ours. The *Globe and Mail* said this morning that the government had been trying to find the easy way out. It has not worked out very well. Tomorrow we shall learn what is what. It has been the same all the way along the line. Hon. gentlemen opposite have wrecked our relations with the provinces. The pension plan is now shelved. There was the budget fiasco; the auto parts which were going to be produced here in Canada. In all these things, the government has not acted. Many bulletins go out telling us what it is hoped to accomplish. What has taken place has imperilled our wheat shipments—shipments which will mean so much to the economy and to the balance of payments situation. What this government has done has caused lasting damage to our relations, economically, with the United States. I call as my witness the Canadian-American committee; and it is interesting to note that Donald Gordon was one of the signatories to a report in which it is pointed out that damage has been done to our relations by the action taken.

How has the government acted today? I was not one of those who had a visitation today. Somebody told me there was a sign carried by someone representing Prince Albert. Well, the only relationship Prince

Albert has had with the maritime scene is that the last naval battle fought in North America was fought 25 miles outside Prince Albert. Apart from that, we have no relation with what is going on in the shipping world, except in so far as the economy is directly affected. What did the Minister of Labour do? He made a statement today. It must have been produced in a great hurry because it does not contain all the decorations which are usual in such statements. It is just a simple, mimeographed record. I shall say this to the minister: I think he has tried very hard to do the very best. I do not agree with the course he has followed, but he is one who has given answers when we have asked questions of him, and that is something. He was away today, otherwise the Prime Minister would not have been answering questions and given us this indefinite answer, "tomorrow".

What was said? The federal government on October 20 ordered the seafarers international union to call off its walkout. Listen to this, for direct language:

> You and the officials of your union must be aware of the fact that the directives issued in instruction bulletin No. 1 by the seaman's rights committee contravened the Industrial Relations and Disputes Investigation Act through taking illegal strike action during the term of agreement.
>
> The government of Canada demands that you and other members of the executive board obey the law of Canada and direct all members of your union to return immediately to their ships and to resume work.

I do not know what their answer to that would be, but I do know they have had experience in the last few months.

The Minister of Justice had two outstanding lawyers look into the question of what prosecutions could take place. Mr. Justice Norris said this person should be prosecuted—referring to Banks—and the lawyers have been taking months to determine whether there could be any prosecution. First, there was a preliminary report on the subject. We asked for its production and I cannot argue with hon. gentlemen opposite when they say the document is not producible. But it shows the weakness, the temporizing, of this government. Mr. Justice Norris said grave offences had been committed by Banks. Mr. Justice Norris is a judge of wide experience at the bar. But no action was taken. Why? I do not intend to repeat the close relationship, the filial regard shown between the Liberal party and Mr. Banks. But Mr. Banks has not been prosecuted, unless, tomorrow, we are told so after this motion has been dealt with.

The minister was asked: "What are you going to do?" I am reading from the article in the *Globe and Mail* by Bernard Dufresne:

> Asked what would happen if Mr. Banks does not order his membership to return to work, Mr. MacEachen said with a short chuckle: "We'll have to wait and see. There are a number of sanctions that may be taken by the companies and the government."

This is the kind of decisiveness we have had—chuckles and postponements. Today, the Prime Minister says: Wait until tomorrow. This must have put the fear of retribution into the hearts of all those who have read it today. They gathered here on parliament hill. A Canadian citizen has a right to bring his views to the attention of parliament. This right has existed as far back as 1623 or 1624—the right of petition. They gathered here, and the minister made a statement. It reads as follows:

> You have been told that the new trusteeship law will harm you, your jobs and your unions. This is a false statement. Unions often establish their own trusteeships. It was hoped this could be done in the present situation. When this proved impossible, government action had to be taken.

It goes on to mention the powers of the trustees and what rights the unions have. Then it says:

> The members of the maritime transportation unions are asked to co-operate fully with the trustees in carrying out their responsibilities.

Tomorrow's sun never yet rose or set on any human being. Tomorrow, there is to be action, the Prime Minister said. Think of all the tomorrows that have gone by since July 25. This has been a history of indecision, confusion and uncertainty. On August 2, as reported at page 2943 of *Hansard*, the Prime Minister said:

> It would be impossible in the circumstances to have this difficult and complicated legislation prepared within a matter of weeks. It may require a strict examination of the constitutionality of the legislation, and it might mean getting in touch with the provincial governments concerned—

An examination of that bill reveals little of those elements of complexity or consultative difficulty which were referred to. A little further on he said:

> I hope very much that the indication that this legislation is being prepared and will be made effective will hold the situation during the summer.

Well, "tomorrow" came with the dynamiting of the *Howard L. Shaw*, a Canadian ship.

At the same page in *Hansard* I asked the Prime Minister, regarding this report which was released on July 18:

> —would the Prime Minister give consideration to bringing before the house before the adjournment the legislation to which reference was made yesterday...Otherwise there may well be an invitation to further lawlessness and disorder and a tie-up of shipping—

But no; the reply was that the next day the house would adjourn and we would come back if there was any trouble.

On September 30 the Minister of Labour said, as reported at page 3026 of *Hansard*:

> —I think I should tell the house in all fairness that I have some faint hope that if we get a break in the next short time we may be in a different position in several days, but at the moment the decision is to proceed at the earliest possible opportunity, having given the necessary notice, with the trusteeship legislation.

Again that tortuous uncertainty, that postponement, that waffling; that is what it has been all the way along throughout the entire course. Today I thought we would get an answer. On October 3 the Minister of Labour said, as reported at page 3150 of *Hansard*:

> I can assure the hon. member that our purpose in this situation is to establish an effective alternative if possible.

Negotiations were going on. Do you think, Mr. Speaker, that all these peregrinations back and forth were calculated to impress the United States with the government's intention and determination to go ahead with the Norris recommendations? They brought Mr. Reynolds to Canada, as the Minister of Labour said, as a result of a request made to the secretary of labour in the United States. Mr. Wirtz came to Canada on September 11 to express his opposition, and Mr. Reynolds gave his views later on. It is just impossible to understand what has taken place. I suppose that only history will reveal everything that took place.

Under all the circumstances, therefore, I think it is clear that I intend to move an amendment—not wait until tomorrow, although welcoming, as we do at last, an attitude of action on the part of this government, rather than one of putting off, waffling, postponing, and using the phone, even though not answered. It is today when we are in parliament. Therefore, I move, seconded by the hon. member for Ontario (Mr. Starr):

> That all the words after "that" be deleted and the following substituted therefor:
>
> "This government, because of its confusion, inconsistency and pusillanimous dawdling and delays in taking effective action has encouraged chaos approaching anarchy to develop on the great lakes, the seaway, and in several Canadian ports, thereby causing disruption in shipping and the placing in jeopardy of essential trade in general, and in particular contracts for delivery of wheat to foreign countries."

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I want to thank the right hon. gentleman for adding a little light hearted relief at the end of what has been a very difficult, trying and worrying afternoon. It is very good of him to move the kind of amendment which gives us the chance to relax a little bit. I want to congratulate him on finding some new words for the amendment. Our favourite words use to be "fumbling and bumbling". The right hon. gentleman hit upon a new phrase, I think new in the history of parliament—"pusillanimous dawdling". I am grateful to him for, as I said, giving us a little comic relief at the end of a difficult time.

The right hon. gentleman certainly covered the waterfront this afternoon. He told us at one stage, Mr. Speaker, of his interesting discourse, that he was going to deal with labour matters, but he got on to Russia, to Hyannis Port and to the last election. He covered every kind of activity he could think of which, in his view, might reflect on what has been done. But of all the amusing things he said, the most amusing was when he put solemnly on the record the statement that political considerations have no place in this serious situation with which we are dealing.

Mr. Deputy Speaker: Order. It being six o'clock I do now leave the chair.

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Mr. Pearson: Mr. Speaker, this afternoon in moving his non-confidence motion, which has already been put on the record with its interesting adjectives, the Leader of the Opposition (Mr. Diefenbaker) told us he was going to deal with the labour situation, which is admittedly now difficult in some aspects and could, I admit, become dangerous. In view of the nature of the situation which we face I think we might have expected from him a careful, objective analysis of that situation but, as hon. members who were here will recall, we got a violent, partisan harangue most of which, if I may use the expression, was partisan claptrap. It was another illustration of the right hon. gentleman's determination to direct the opposition by innuendo, insult and invective.

Mr. Churchill: That is claptrap.

Mr. Pearson: It included much of the language of wild exaggeration. We were told that the country was on the verge of anarchy. We on this side were accused—I suppose I should apologize for repeating the phrase—of pusillanimous dawdling. I want to congratulate the right hon. gentleman's research

staff on having dug that one up. We were accused of pusillanimous dawdling, Mr. Speaker, by the greatest dawdler of them all.

The successful effort to restore communications with our neighbour, the United States, which had been completely broken by the end of the last regime, was sneered at. I recall that the joint defence committee had not met for a very long time under the previous administration, that the trade and economic committee had practically ceased to function, and that the heads of government in the two countries had not communicated with each other. The right hon. gentleman seems unable to conceal his chagrin that all this has now changed.

He is very worried because of my alleged difficulties in getting the President of the United States on the telephone. This really seems to disturb him. I have had no such difficulties, but the right hon. gentleman will recall that in the last month of his regime the line was completely out of order.

Mr. Diefenbaker: That is not a fact.

Mr. Pearson: I suppose we really ought to be charitable to him in his reaction of envy and chagrin at the changed situation in regard to communications.

Mr. Diefenbaker: Oh, oh.

Mr. Pearson: I am glad the right hon. gentleman has retained his sense of humour.

Mr. Diefenbaker: He just looks across the way.

Mr. Pearson: It is, of course, very important to have this direct communication between the heads of two governments whose relations are so important to each other, and must continue to be on the best possible footing. Not only is it important, it should be normal for this kind of communication to be in existence. It is only an abnormal situation when communications are broken and are non-existent. It is deplorable when that happens in the relations between our two governments and our two countries, and even more deplorable when a senior member of his party has to descend to the depths that have been descended to in putting a forged communication on the record in order to stir up trouble between our two countries. We are going to have enough difficulty in the days and weeks and months ahead in solving the problems that face our two countries without adding to that difficulty by that kind of tactic.

This afternoon the right hon. gentleman indulged in what I can only refer to as a kind of gloating and mocking accusation of loss of confidence in Canada abroad, in the United States and other countries. He quoted in support of that accusation from the *Economist*. He is quite right that I used to quote the *Economist* in reverse against his government, and the same man who wrote those articles in the *Economist* in those days wrote the article from which he quoted this afternoon. I admit that this man takes just about as jaundiced a view of this government as he took of the previous one—not quite as jaundiced but almost as jaundiced.

Mr. Diefenbaker: Who is the writer?

Mr. Pearson: If the right hon. gentleman takes satisfaction from this particular correspondent's article I am happy to let him get all the satisfaction he can out of it. Of course, if we wanted to indulge in this game of quotation and cross-quotation it would be quite simple to find articles on the other side. During the dinner recess I happened to pick up the *Financial Times*. The staff correspondent in Ottawa of the *Financial Times*, a journalist of experience and repute, had this to say in his article this week:

> U.S.-Canada relations are a long way from being on the rocks. On the contrary, newspaper scare headlines only underscore the fact that the two countries are making real efforts to come to terms on matters of genuine concern to both. And they are having some success.

That is from the current edition of the *Financial Times*.

Mr. Fisher: What about the *Financial Post*?

Mr. Pearson: I am unable to hear all these interventions from that corner, but after tomorrow those members will be a little closer to me and I will be able to deal with them. I cannot help but add that on this question of loss of confidence in Canada abroad the right hon. gentleman who spoke this afternoon speaks with the authority of personal experience. There is no doubt, of course, that since this government took office it has made mistakes. Unlike the right hon. gentleman and his regime, we do not claim infallibility or omniscience.

An hon. Member: You had all the answers.

Mr. Pearson: But if everything is as bad as the right hon. gentleman indicated it was this afternoon, and if the people of the country feel as he indicated they do feel, that it is so bad, why does the right hon. gentleman not work harder to bring about a situation where he will be able to appeal to the country and get a verdict? Why is he so very careful on every division in this house to make sure there are enough of his members outside that we cannot be defeated?

Mr. Nielsen: How about your own members?

Mr. Pearson: Indeed, if our members stay out of the house, that proves exactly what I have been suggesting to the right hon. gentleman, that we are worried, that we are anxious to stay in office to do our job, and if we stay out of the house it then gives the hon. gentleman a better chance to defeat us. This means he has to keep even more of his members out of the house to avoid that unhappy situation, from his point of view.

If, Mr. Speaker, as the right hon. gentleman so passionately claims, the only fault of his government in the field of foreign affairs and Canadian-United States relations was standing up for Canada, if that was their only fault, standing up for Canada, as any government would stand up for Canada, why was it that his own cabinet collapsed over that very issue and some of his senior colleagues deserted him? If I were the right hon. gentleman, I would be very careful not to revive these unhappy memories of a collapsing cabinet caused, in large part, by relations which had been allowed to deteriorate between Canada and the United States, especially in the field of defence.

This afternoon, the right hon. gentleman said he was going to talk about the labour situation. He discussed the labour situation in international terms and its international implications, especially those bearing on our relations with the United States, in a way designed to stir up the maximum of animosity with our neighbours, and with a minimum of reasoned argument. Let us have a look at the position both in respect of what this government has tried to do—

An hon. Member: What about the United States?

Mr. Chevrier: Why don't you let him speak?

Mr. Pearson: —and in respect of what the right hon. gentleman said he would have done if he had had the responsibility of office. The Minister of Labour (Mr. MacEachen) will deal with this matter in greater detail, if he has the opportunity tomorrow; but I should like to make one or two comments about it because it is indeed a serious situation and serious charges have been levelled at the government about the way in which they dealt with it. The burden of the right hon. gentleman's argument is that the government should have acted last session, towards the end of July or the beginning of August; that they should have acted at once, without delay, in a matter of hours or at the most days, to put into effect a public trusteeship which would have taken over certain Canadian maritime unions and brought them under government trusteeship; in other words, that this government should have intervened at once, without seeking any alternative course, to bring the five unions under government trusteeship.

Mr. Diefenbaker: They were all willing but one, were they not?

Mr. Pearson: They were all willing but one. The egg was 95 per cent fresh.

Then, the right hon. gentleman sneered at the argument put forward by the Minister of Justice (Mr. Chevrier) and others that a certain time was required to make sure that the legislation as drafted would stand up in the courts; would be perfectly sound from every point of view, and especially from a constitutional point of view. If the right hon. gentleman thinks, as he professes to think, that the drafting of this legislation was a simple matter which could have been worked out in a day or two, he does not know anything about its complexity. I wish very much he could submit this question to a committee, have the officials of the Department of Justice brought before this committee where they could be examined on the difficulties in drafting this kind of legislation, on the difficulties in making sure that what we put before this parliament would not conflict with provincial jurisdiction in the field of property and civil rights.

Now, Mr. Speaker, we had also to relate this particular legislation to my hon. friend's pet piece of legislation, the bill of rights. Also a great many union contracts had to be examined very carefully to make sure that the trusteeship set up, if it had to be set up by the government, would have sufficient power to do the thing that had to be done, that is clean up the situation in this union as it was disclosed in the Norris report and in accordance with certain Norris recommendations. Quite rightly, therefore, we took the necessary time to make sure that the legislation was sound.

While this legislation was being drafted, and it took a few weeks to get this done in the right way, we then proceeded to see if there were some satisfactory alternative to the government having to take this power and establish, what I think most hon. members will consider to be, an undesirable precedent. The right hon. gentleman would not have done that. He would not have sought any other alternative. He would have plunged right in with government trusteeship, irrespective of the wishes of everybody, including the Canadian Labour Congress. While the legislation was being drafted, indeed while the legislation was going through the house, the government had established through the Minister of Labour, whose work I think in this matter is to be commended, the closest possible co-operation with the Canadian

Labour Congress and maintained that co-operation right up until this moment. This co-operation would have been abandoned by the right hon. gentleman if he had his way, because he would have rushed in at once, without any delay, into government trusteeship, irrespective of the wishes of the Canadian Labour Congress.

Mr. Diefenbaker: Will the hon. gentleman permit a question?

Mr. Pearson: Of course.

Mr. Diefenbaker: Did not the C.L.C. and Mr. Jodoin say, immediately the Norris report came down, that while he, as was everybody, was anxious to avoid trusteeship, he would give his co-operation and support to it?

Mr. Pearson: Of course, he did; and Mr. Jodoin said while he was not anxious for trusteeship he would work with the government to try to find an alternative to the trusteeship. The right hon. gentleman would have given him no such opportunity, if he had been in office.

Mr. Diefenbaker: Nonsense.

Mr. Pearson: He would have insisted on public trusteeship at once. Never mind the necessity for care, but rush in. He would have said: Never mind whether there could be a better alternative than public trusteeship; let the government charge ahead and take over these labour unions. Never mind whether there is any hope of agreeing on a private solution with the approval of the Canadian Labour Congress, but rush ahead. Never mind what the consequences are in Canada, and never mind the consequences in relation to the United States.

Well, Mr. Speaker, this government rejected that course and we are glad that we did. We worked with the Canadian Labour Congress, we encouraged them and supported them in every way we could in getting in touch with the A.F.L.-C.I.O. in the United States.

Mr. Diefenbaker: Did you get in touch with Mr. Wirtz?

Mr. Pearson: The hon. gentleman has made a great play about the fact we on this side of the line, through the C.L.C., and indeed through the government, got in touch with the A.F.L.-C.I.O. and the government of the United States in respect of a matter which was basically Canadian, but which had very important and dangerous international implications.

The right hon. gentleman does not mind that. He would rush ahead—"damn the torpedoes"—straight ahead with legislation. We thought it was better to see if we could work out through negotiations between the Canadian Labour Congress and the A.F.L.-C.I.O., with the support of the United States government and the Canadian government, a private trusteeship which would be satisfactory from the Canadian viewpoint and which would make unnecessary government intervention in this matter.

From the very beginning the Canadian Labour Congress and the Canadian government insisted that no such private trusteeship would be satisfactory unless two out of the three trustees were Canadians. The right hon. gentleman made great play with the fact that for the first time this afternoon he learned that in a public trusteeship we were going to have three Canadians. This was a remarkable discovery on his part, that a Canadian government public trusteeship was to have three Canadians.

Of course, Mr. Speaker, there never was any question in anybody's mind that in a public trusteeship the three trustees would have to be Canadians; but in a private trusteeship, if it were to be effective for maintaining and securing peace on the great lakes on the American side, in our view it was not too high a price to pay for that through an agreement which would make it possible, to have one of the three trustees a United States citizen. If, as a result of that kind of trusteeship with that kind of membership, the A.F.L.-C.I.O. could give us an assurance that Canadian ships, manned by Canadian seamen under this kind of trusteeship arrangement, would not be interfered with on the great lakes and in American ports, surely that was not too high a price to pay for that kind of agreed arrangement between the two labour organizations of the two countries.

That is what we tried to bring about, and in all these negotiations the Canadian Labour Congress was clear, and we were clear, that two of the three trustees had to be Canadians. In the first stages that was one of the reasons that the negotiations broke down.

Another condition we laid down from the beginning was that a private trusteeship must have sufficient authority to clean up the S.I.U. in Canada. There could be no question about that. It must have sufficient authority to do the job that was required to be done whether by a government trusteeship or a private trusteeship, in accordance with certain recommendations of the Norris report.

The negotiations became very difficult. They became almost impossible when the head of the A.F.L.-C.I.O., Mr. Meany, made what has been described by many hon. members inside the house, and outside the house, as a shocking statement which represented complete ignorance of Canadian affairs and a shocking intervention in Canadian affairs. If it were

done entirely through ignorance perhaps he is not as open to condemnation as if it were done by calculation, but in any event it was a mischievous intervention which made it extremely difficult to make any progress.

Mr. Wirtz, the secretary of labour, who had been working hard and conscientiously to bring about a kind of meeting of minds with his opposite number, the Minister of Labour, so that a private trusteeship would be agreeable to both countries, then made what I described as an unhelpful intervention—and it certainly was—but it was not designed to be harmful or deliberately mischievous. In any event, the negotiations were on the point of breaking down on this issue of membership after the intervention of Mr. Meany, which in a sense was an incitement to disobey any trusteeship. So, in those circumstances I thought it might be useful if I got in touch with the President of the United States and asked for his intervention, to see if we could get negotiations restored on the only basis where there was possibility of success, namely that there should be a clear understanding about the composition of a private trusteeship and about its authority and powers.

This afternoon the right hon. gentleman said the president was not helpful in this matter. I would say that we got a great deal more help from the President of the United States in this matter than we got from the right hon. gentleman who, day after day, kept demanding details of the negotiations while negotiations were going on, knowing perfectly well that if you give the details of your negotiation in the middle of negotiations you have much less chance of coming to a successful agreement. But that did not deter the right hon. gentleman from trying to probe for details such as, "How many times did you phone the president; how quickly did he answer the phone"? And the right hon. gentleman got so upset over the allegation that somehow or other President Kennedy did not answer the phone quickly enough that it moved him to national indignation.

Mr. Diefenbaker: They tell me the Prime Minister was awfully annoyed, too, when he did not answer.

Mr. Pearson: As a result of President Kennedy's intervention and my talk with him, the negotiations were resumed. They were resumed in good faith by the Canadian Labour Congress, and with the support and the approval of the government. They were resumed in the hope that we could—even at that late time when the bill had passed the House of Commons, was going to the Senate and would shortly be given royal assent—work out a private trusteeship before the legislation was proclaimed, a private trusteeship which would clean up the conditions exposed by the Norris report in the S.I.U. of Canada, a branch of an international union, something which gave the international headquarters in the United States some standing on the matter; and second, an arrangement which would receive the formal support of the A.F.L.-C.I.O. and which would ensure that Canadian shipping in United States lake ports would not be interfered with or harassed.

While these resumed negotiations were proceeding and encouraging progress was being made, Mr. Hal Banks ordered from their ships members of his union, and organized the march on Ottawa which took place today. The first act, Mr. Speaker, was illegal, and the second—notwithstanding what the right hon. gentleman said about it this afternoon as a vindication of the historic rights of the citizen to petition his member of parliament—I believe was an effort to bring unjustifiable pressure on the government with respect to legislation which had passed through this house and the Senate, and had received the royal assent.

In the face of this illegal action the Canadian Labour Congress decided yesterday that it was useless, and indeed from their point of view improper, to continue negotiations. The government understands and supports the position which they took.

We have done everything we can on this side to make unnecessary a public trusteeship over Canadian unions through legislation. We had hoped, Mr. Speaker, that this could have been avoided by satisfactory private arrangements. The illegal action taken by Mr. Hal Banks and the S.I.U., and the refusal of the S.I.U. international in the United States to do anything to prevent this—as they could have done because they knew what was happening—leaves the government with no alternative but to proceed without delay to proclaim the act putting the public trusteeship into effect, and this is what we propose to do.

Some hon. Members: When?

Mr. Pearson: We propose to do this far more quickly than was the case with my hon. friends opposite, when they took any action in respect of any situation.

Some hon. Members: Hear, hear.

Mr. Pearson: We must show that Canada, and free and responsible trade unionism in Canada, is bigger than Mr. Banks—

Mr. Woolliams: When?

Mr. Pearson: —and that a Canadian government is not going to be intimidated by the

illegal action and pressure of one who has destroyed democratic government in his own union. This morning, Mr. Speaker—the prime minister is going to be very disappointed about this—I rang up the White House again and I got through—

Mr. Diefenbaker: The prime minister is going to be disappointed?

Mr. Pearson: Mr. Speaker, I wanted to make the right hon. gentleman feel a little better. As long as he pursues the kind of tactics that he pursued this afternoon, in the face of a dangerous national situation, he is going to be over on that side for a long, long, long time.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Oh, no.

Mr. Pearson: Therefore I think it is only fair once in a while to remind him that he was once prime minister. I telephoned the President this morning—he had the secretary of labour with him at the White House—and told him that the illegal and, as I thought it was, provocative action that was going on in Ottawa at the moment I was telephoning made it quite impossible for the Canadian Labour Congress to continue in negotiation with the A.F.L.-C.I.O. about a private trusteeship. I added that I thought this was particularly unfortunate because those negotiations had been so close to agreement.

I told the president we were distressed by recent developments but that we must support the position, and we would support the position, taken by the Canadian Labour Congress. They could not be expected to discuss matters in the face of this kind of pressure, and therefore the government had no alternative now but to proclaim its legislation putting a public trusteeship into effect.

Mr. Woolliams: When?

Mr. Pearson: I told the president that it was of the greatest possible importance now, more important than anything else facing us at this moment—

Mr. Woolliams: What did the president say?

Mr. Pearson: Mr. Speaker, I wonder whether my hon. friend, who has nothing to do but interrupt in this house and who has made quite a reputation for himself as a stupid interrupter, would be good enough to keep quiet.

Some hon. Members: Hear, hear.

Mr. Pearson: Intelligent heckling is to be welcomed, but asinine assertions are to be condemned.

Mr. Diefenbaker: Is this a testimony on your part?

Mr. Woolliams: I still ask, what did the President say?

Mr. Pearson: I told the President that it was of the greatest possible importance now to persuade the United States A.F.L.-C.I.O. to accept the legislation that was being passed in Canada, in respect of its impact on the United States side of the line, and prevent violence on the United States side of the great lakes against Canadian ships once this legislation is in effect. Otherwise we would be in for serious trouble, which I am sure nobody on either side of the line wants, except a few ill-meaning people who would like to stir up trouble.

The objective of the government is to have the public trusteeship end—and I told the president this—as quickly as possible, and the reorganized and cleaned up union returned to the officers chosen by the workers themselves. But I said this would be difficult and would certainly be delayed if the wrong reaction occurred in A.F.L.-C.I.O. circles and showed itself in harassment of Canadian ships at United States lake ports. So I urged Mr. Kennedy to do what he could to prevent this happening. The President told me, I would tell the right hon. gentleman who has been so unhelpful in this matter in his contribution to good neighbourliness, that he will do what he can.

An hon. Member: Did he promise?

Mr. Pearson: He said he will do what he can to prevent this kind of—

Mr. Woolliams: What did he say?

Mr. Pearson: —reaction; and if he does, I am sure the right hon. gentleman will be very disappointed indeed.

Mr. Diefenbaker: Would the right hon. gentleman answer as to what the President said?

Mr. Woolliams: That's right, what did the President say?

Mr. Pearson: Mr. Speaker, they are so passionately interested in the details of this conversation that I will tell them what the President said. He said he regretted the necessity for this action, but he understood the necessity and he would do all he could to avoid any impact which would cause trouble between our two countries. It is too bad that the right hon. gentleman should be so disappointed by this kind of response from the President.

Mr. Diefenbaker: We are all glad he answered the 'phone this time.

Mr. Pearson: We have had a demonstration today in Ottawa. I believe that a good many of those who were here have some misunderstanding about the nature of the legislation

and the effect it will have on trade unions in Canada. We as members of parliament have done what we can on this side, in the interviews we have had with the delegates of the demonstration, to correct some of the misunderstandings and remove some of the misapprehension that is obviously in the minds of certain of the members of the S.I.U. who came to Ottawa.

They have been told by their leadership that the new trusteeship law will harm them, harm their jobs and harm their union. That is a false statement. The new law will protect seamen and their unions by seeking to ensure that union affairs are conducted honestly and decently. Seamen are protected under the new law from any high handed action which interferes with their democratic rights either from within or from outside their unions. The trustees to be named under the legislation are required, (1) to protect the funds and property of the unions from being misused; (2) to recommend changes in the constitutions and bylaws of the unions, which will ensure democratic control of the unions by their members, and no such changes can be made without the approval of the members; (3) the trustees are required to establish advisory committees of seamen and, where necessary, bargaining committees. They are required to establish means whereby union members may manage their affairs efficiently and democratically. Members of the unions concerned have nothing to fear from the trusteeship imposed under this legislation.

The act has been passed by parliament and has been given the royal assent. When it is proclaimed and in effect, it will have the constructive purpose of cleaning up a particular union, and in due course and as soon as possible return the unions to their members. I am sure the trustees will serve the best interests of the members and their unions and that the members, the seamen, will have every opportunity to be heard. Any just grievance will be considered by the trustees. Under the legislation the unions will not lose their rights to bargain or to strike. Surely this should at least help to remove some of the misunderstanding and misapprehension that has been caused by the information given to members by officers of the union. It should even, I hope, remove some of the wilder misunderstanding existing across the line in some union circles as to what we are doing in Canada about a Canadian union. If that misunderstanding can be removed, then I believe this trusteeship legislation will be acceptable to all union members in Canada —all union members—and it will help to restore peace on the great lakes.

I would have preferred, as I think most of those in this house would have preferred, to have had a private arrangement. That was impossible. Therefore we have proceeded with our legislation. We believe that in the way we have produced this legislation, in the effort we have made to find a suitable alternative, and the way we have worked from beginning to end with the Canadian Labour Congress, we have followed the right course as a responsible government.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, now that the Prime Minister (Mr. Pearson) and the Leader of the Opposition (Mr. Diefenbaker) have berated each other and covered a good deal of territory in their respective speeches, I should like to draw the attention of the house for a few minutes to the amendment itself.

This amendment which the Leader of the Opposition has moved criticizes the government for its dawdling and delay in taking effective action as a result of which, it says, there has been disruption of shipping and the placing in jeopardy of the trade of this country, in particular of deliveries of wheat to foreign ports. I should like to begin by saying that members in all parts of the house are naturally concerned that nothing should happen which would interrupt the promised deliveries of wheat to countries which are Canadian customers. This concern is not felt by the Conservative party alone. It is felt, I think, by members in all parties. As a matter of fact, shipping has not yet been hurt. I shall have something to say about what the future holds a little later in my observations. But, so far, this temporary stoppage has not affected wheat shipments or trade in general as the amendment suggests.

What interested me most in the speech made by the Leader of the Opposition was that though he berated the government for its failure to act, I could find nothing in his remarks which indicated what he wanted them to do. Day after day I have listened to members of the official opposition calling upon the government to do something without saying specifically what it was they wanted the government to do. This is a very happy position to take because then, no matter what they do, they are able to criticize. The Leader of the Opposition is critical because the government has not acted promptly to implement the recommendations of the Norris report. But I need hardly remind the house that the situation on the great lakes did not spring up over night. This has been a most unfortunate and lamentable situation which has existed over a period of years. The S.I.U. were put out of the Canadian Labour Congress, if I remember correctly, as far back as 1959; and in May of 1962 the president of the C.L.C. wrote to the present

Leader of the Opposition, who was then prime minister, setting out in detail certain acts of intimidation, violence and lawlessness and urging that immediate steps should be taken to rectify the situation. Weeks passed and nothing was done. It was only when the Canadian labour movement tied up the St. Lawrence seaway that a commissioner was finally appointed in July, 1962. So, when the Leader of the Opposition calls for action, I for one, would be interested to know what specific action he has in mind. Certainly, there was no very specific action taken in those years from 1959 to 1962.

Let me say a word about the delay which has occurred with respect to appointing a board of public trustees to take over the maritime shipping unions. I think the government was justified in taking time to do two very important things. The first was to explore the possibility of setting up a private trusteeship. I am sure no member of this house, particularly those who have a great respect for free trade unions, wants to see a government trusteeship imposed on any union or group of unions. It seems to me the government was justified in taking whatever time was necessary, within reason, to explore the possibility of a private trusteeship in which trade union leaders responsible to the labour movement in Canada would be charged with trying to rectify the situation on the great lakes.

There was another advantage attached to the setting up of a private trusteeship, if it could have been arranged, namely that it might have secured the co-operation of the United States labour organization, the A.F.L.-C.I.O. This is important because everyone knows that much of our trade on the great lakes is in the United States ports, and if Canadian ships are to be handled expeditiously great value must be attached to having the full co-operation of the United States labour movement. My feeling has been that the government should have explored with the Canadian and United States labour movements the possibility of a private trusteeship which would have brought the five maritime unions under its control and sought to settle the difficulties which have disturbed the shipping industry for the past four years. I think there is some evidence that the government has been doing just that. That is the first thing they needed to do, and I cannot blame them for taking time to do it.

The second thing they needed time to do was to look very carefully for the right kind of men to serve on the board of trustees. Merely setting up a board of trustees will not effectively deal with this problem. What will count is the way in which the board operates —whether it shows intelligence, firmness and sympathy in dealing with these unions. This trusteeship could be a farce and a failure if the right kind of men are not vested with the great authority which parliament has given. If the government needed some time to canvass the situation in order to get the right kind of men for this job, I, for one, am prepared to see that they get the necessary time. I wish to urge, once again, that those appointed to this board will include at least one, and perhaps two men with a wide experience of the trade union movement—men who are not involved in this dispute, but men who know how to lead unions back into a democratic way of doing business, so that they can emerge from this trusteeship strong, democratic and effective.

Having said that I am not prepared to criticize the government because it was seeking an alternative course of a private trusteeship, and because it has taken some time to canvass the situation and get the right kind of personnel for the board of trustees, let me say that I think the test of the government's courage and decisiveness will now lie in what they do in the next day or two. If this withdrawal of men from the ships over the last 48 hours were to continue it could pose a very serious problem for the shipment of goods, and particularly for the shipment of wheat. This is one of the things upon which our economy is depending for a large amount of money to help balance our international payments.

It was perfectly clear from the statement which was made yesterday by Mr. Claude Jodoin, the president of the Canadian Labour Congress, that all attempts at setting up a private trusteeship had failed. I need not go into the details of why they failed; certainly the S.I.U. in calling the men off the ships in my opinion made it much more difficult to proceed with a private trusteeship. A private trusteeship established in the face of intimidation and threats would have been a private trusteeship that would be weakened from the very beginning of its operations. I can quite understand why the Canadian labour movement came to the conclusion that in this situation, with an illegal strike and an illegal walk-off confronting them, they could not see any way in which a private trusteeship could operate successfully. Therefore, Mr. Speaker, I think one is safe in assuming that all efforts to establish a private trusteeship have failed.

It seems to me that it is now for the government to act promptly and decisively. I think the government has no choice now but to proclaim the legislation and to set up the public trusteeship just as expeditiously as possible. Indeed, I would go one step further.

If the walk-out of the seamen continues, or if there is any evidence that the companies are seeking to embarrass the trusteeship, then the government may have to take further steps. It is rather significant that in the last two or three days men have been able to walk off ships in some instances with the consent of the company, which under the Canada Shipping Act they are required to get from the master of the ship. This leads me to wonder whether or not there is collusion in this instance with the shipping companies, whether or not they too are seeking to intimidate the government and parliament. They may also enter into arrangements which would intimidate the board of trustees. I think the government has to give serious consideration to doing what was done, if I remember correctly, in 1946 when a government controller of shipping was set up. Because unless the board of trustees can get the wholehearted co-operation of the companies as well as the trade unions, then the board of trustees cannot possibly hope to operate with any great degree of success.

I think the government has to deal promptly and aggressively in this matter. Let us just see what has happened in the last 48 hours. The Minister of Labour (Mr. MacEachen) informed the S.I.U. by telegram, according to the press, that this walk-off from the ships constituted an illegal strike, and ordered the men to go back to work. Yet when the member for Winnipeg North asked the Minister of Justice (Mr. Chevrier) this afternoon what he proposed to do about it, he said that if these men have broken the law the responsibility lies with the shipping companies to deal with them. This is not decisive action. For the Minister of Labour to say that this strike is illegal and that the men must go back to work, and for the Minister of Justice to wash his hands of it and say that this is not his responsibility, but that it is up to the shipping companies to act if the seamen have broken their collective agreements and violated the Canada Shipping Act, does not indicate the kind of decisiveness which is going to be needed in the next few days if the trusteeship is going to operate successfully.

I feel that the government should proclaim the legislation. I believe they should set up the board of trustees just as quickly as they can find the right personnel. One of the first things which must be done is to get the necessary information to the members of these unions, and particularly to the S.I.U., making it clear what are the purposes of the trusteeship. I was glad the Prime Minister (Mr. Pearson) indicated in his remarks some of the things the board of trustees would do. Many of the men who were out in front of the parliament buildings today are genuinely concerned. They have not been given the facts of the case. Some of them fear that they will lose their jobs when the trusteeship comes in. It should be made clear to them by the trustees and the government that they will have job security; that there will be no interference with seniority. One of the functions of a board of trustees will be to go into the company records and establish seniority for these men. These men are afraid that there will not be proper collective bargaining; that the trusteeship will be able to sit down and negotiate any collective bargaining agreement it likes and the men will have to live with it, and that consequently their wages, fringe benefits and their standard of living will be reduced. What the Prime Minister said tonight needs to be emphasized, not just in a speech in the House of Commons but in material sent out to the individual members, namely that these men will still have the right to bargain collectively through their own selected negotiating committees; that they will still have the right to strike legally, provided they comply with the laws of the country; that they will lose none of the rights of a democratic trade union but that, on the contrary, the purpose of the trusteeship is to restore to them the democracy which, in at least one instance, has been taken away from them.

I should like to say to the government that we in the New Democratic party have supported the legislation for setting up a government trusteeship. But I also want to warn the government that we will expect them to make it clear to the trustees that the basic rights of the workers of these five labour unions must be safeguarded and protected. We will consider it one of our tasks in this house to ask questions and raise issues whenever we think this trusteeship is not conducting the affairs of these unions in a democratic and proper manner. The one thing these men do not want is the substitution of one dictatorship for another. What they want, and what I believe they will accept, is a trusteeship designed to act in their best interests, one which will restore to them at the earliest possible date the full democratic rights which every free trade union in a free nation has the right to enjoy.

Neither this house nor the government, Mr. Speaker, need think that by appointing a board of trustees the whole problem will be settled. The government and the board of trustees will have to get the co-operation and confidence of the men. This is my first plea, that everything be done to work with them and to make it clear to them that this trusteeship is not something which is being

imposed upon them, but that it is something being done to enable them to develop a democratic union and to improve their living conditions.

The other place where the government will have a great responsibility is in endeavouring to secure the co-operation of the government of the United States, which I hope in turn can secure the co-operation of the United States labour movement, to see to it that Canadian ships in United States ports will be free from harassment and sabotage. This is one of the things that a private trusteeship might have had great difficulty in doing, but at government level the government should be able to exercise all its powers of persuasiveness and representation on the American government, so that Canadian ships manned by whatever seamen and by whatever union can get proper access to American ports, and the rights that they should have in those ports.

May I sum up by saying I do not share the view that the government has dawdled in the matter of dealing with the Norris report. I think that up until now they have taken the wise course of examining and exploring every alternative in the hope that it might not be necessary to take this very radical and far reaching step. But I urge the government now, when all hope of a private trusteeship is gone, not to hesitate any longer but to act decisively and, above all, to act humanely in the interests of the workers concerned.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, we have before the house this evening an amendment which, among other things, contains some tongue twisters, such as "pusillanimous dawdling", the effect of which is to accuse the government of creating a situation which has placed in jeopardy the essential trade of the country. In his opening remarks the Prime Minister (Mr. Pearson) referred to some of the wording of the amendment as being humorous. On the basis of looking back over the record I think that one could take that viewpoint, if the situation facing the government and parliament today were not so serious.

If there ever was a time when there was need for full support of the government by parliament, it is now. I was extremely proud of the near unanimity of the vote on the trusteeship bill a few days ago. I believe this is an indication to Canadians and those south of the border that there is an almost unanimous determination by parliament to support the government in the action they have taken.

The first question that comes to mind, of course, when considering the amendment is whether supporting the amendment would clean up the mess we now have in the shipping industry. The answer, of course, is no. In my opinion the Leader of the Opposition (Mr. Diefenbaker) should be commending the government, rather than condemning them, for resisting pressure from the United States. All through the discussions that have taken place in the house there have been continual gibes against the government by the Leader of the Opposition for not standing up to the United States labour unions, their secretary of labour and so on. But now that we have reached the point where the government have gone ahead with their plans to do what they think will clean up the mess, surely if any hon. member should commend them it is the Leader of the Opposition.

I should like to refer to schedule No. 31 of the schedules to the Norris report on the disruption of shipping on the great lakes. That schedule sets out in some detail examples of intimidation and violence based on the evidence given before the commission. It is rather interesting to note that out of a total of 75 incidents referred to in the schedule, 67 of them took place between June, 1957 and April, 1963 when the right hon. gentleman who now leads the opposition had the full power of government to enforce the law. If you go over these cases you will see there was no effort made to enforce the law. What could be more in accord with pusillanimous dawdling than to turn and look the other way when these things were going on, and to allow them to take place? As Mr. Justice Norris said only 12 days after the hearings started, "Without at this time deciding who is responsible for these attacks, these cowardly attacks, it is very difficult for me to understand how in this state of our so-called civilization things of this sort could happen in Canada."

Whether or not the S.I.U. and its executive officers are responsible, these attacks did take place when the right hon. gentleman's government was in office.

Mr. Horner (Acadia): When did knowledge of the facts become evident?

Mr. Olson: The fact is that these things took place all during the years when the right hon. gentleman and his government were responsible for enforcing the law.

Mr. Horner (Acadia): Tell us when the evidence became clear.

Mr. Olson: I think it is the responsibility of the government to enforce the law every day.

Mr. Horner (Acadia): Surely with proper evidence.

Mr. Olson: I might also say that the present Minister of Justice (Mr. Chevrier) cannot be entirely excused for delaying in acting on the evidence in the Norris report.

Mr. Smith: Did you get permission to say that?

Mr. Olson: I cannot hear all these interjections, Mr. Speaker. The situation that is facing us today is serious. May I say in closing that if all the charges in the amendment are true of the present government, they were even more true of the government led by the right hon. gentleman who moved the amendment. Like the hon. member for Burnaby-Coquitlam (Mr. Douglas), I too wish to point out in his speech today and all the other speeches he has made on this matter the Leader of the Opposition has never suggested any other alternative action that could have been taken, or could be taken now. I think it is time, therefore, for resolute determination by parliament to support the Minister of Labour in his attempt to do what appears to be the only thing we can do to resolve this problem.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, when you read the amendment moved by the Leader of the Opposition (Mr. Diefenbaker), you wonder, with good reason, if his parliamentary advisers did their work well. I wonder, in view of the chaos and strife that prevail on the great lakes at the present time, if it is in order—even though the parliamentary procedure allows it—to move an amendment written in such terms?

In my opinion that amendment is not at all in the interest of those who are waiting for us to take action, because all of us without exception in this house have declared ourselves in favor of a settlement by the private companies which deal with the interested unions.

Everyone would have preferred to see the matter settled directly by the employers and the unions in the great lakes area, and if we waited until the last moment, it is because the government was forced to intervene at the request of all members in the house and various Canadian unions.

As a matter of fact, what does the amendment say? I quote:

[*Text*]

This government, because of its confusion, inconsistency and pusillanimous dawdling and delays in taking effective action has encouraged chaos approaching anarchy to develop on the great lakes, the seaway, and in several Canadian ports, thereby causing disruption in shipping and the placing in jeopardy of essential trade in general, and in particular contracts for delivery of wheat to foreign countries.

[*Translation*]

Mr. Speaker, we sincerely believe that the present situation did not arise only yesterday or a couple of weeks ago. The trouble already existed between unions and employers and even between the unions themselves on the great lakes. This situation existed when the Conservatives were in office and even before. I find it hard to understand today that such an amendment which blames the government for taking action according to a request to that effect made by the different parties of the house and the unions themselves, should be entertained. I am neither Liberal nor Conservative, but, in my opinion, under the circumstances, we must show some intelligence, and in this case, we have no alternative but to yield to evidence and support the government.

The government waited till the last moment to take action, hoping that the matter would be settled between employers and labour or between the unions themselves.

A dispute arose between American and Canadian unions. Street fights broke out in some towns near the great lakes between members of Canadian and American unions.

However, there is a point on which I insist strongly: the government should see by all possible and conceivable means, that our Canadian unions are subject to no interference from federal and provincial governments in the disputes between employers and employees.

It is not within the province of the government to take the place of the employers, or of the employees or of the unions. The government is merely authorized to ensure good relations between these various groups of our society.

We, of the Social Credit, honestly believe that in this dispute the government is acting the way it should, and in my opinion, the amendment moved by the opposition is neither timely nor wise, and our group will certainly not support it, for this very serious conflict prevailing on the great lakes must be settled in the nearest possible future.

[*Text*]

Hon. Paul Martineau (Pontiac-Temiscamingue): Tonight, Mr. Speaker, I shall follow the example of some of the previous speakers and try to be as brief as possible. The amendment charges the government with inconsistency, delays and lack of policy. I think that such an amendment is well founded, and for proof of that one only needs to scan the record of the present administration since it took office. I know that when the

much vaunted 60 days of action turned out to be a somewhat less brilliant success than anticipated, some people said that might be understandable. After all, a government must be given time. They have to adapt themselves. They have to acquire the managerial skills. Give them time, and they will prove themselves.

Well, they have had the time. They have had their 60 days and they have had at least 60 days of grace. The recent recess should have been a period of sober second thoughts for the government. Many people thought the Prime Minister (Mr. Pearson) and members of his cabinet would develop those imaginative policies about which the Prime Minister spoke so fluently during his last days in opposition, and during the election campaign, out of which would emerge sound government policies. The Liberal party convinced the people of Canada that they were the only ones who could provide sound government for this country. After those 60 days, Mr. Speaker, and after all that followed those 60 days, I defy the Prime Minister, any member of his cabinet or any member sitting over there to say truthfully that the end result of the new administration has not been a profound disappointment for them. This government has been proven, across the length and breadth of this country, to be amateurish and it has done wrong in practically every field of endeavour into which it has ventured.

I might be accused of speaking in generalities, so it may be a good thing for me to get down to specifics, and one of these specifics is precisely the subject of this amendment. The amendment deals with Canadian-American relations and, Mr. Speaker, if there were any field in which the Canadian people sincerely believed that, by handing over the reins of government to the present Prime Minister and administration, there would be an improvement, it was in that field.

A few months ago the Prime Minister said that during the tenure of office of the previous administration relations between Canada and the United States had been permitted to deteriorate. That is what he said; and he played a leading part last February in bringing about the fall of the previous government. He participated in a debate in this house on February 5, 1963, and as recorded at page 3454 of *Hansard* for that date he said:

> We want to get back to those days when Canada was so respected, because she did make her own policy.

What has happened since then? The Canadian government is not making its own policy now. It is not making its own international policy in spheres which involve the United States government, and we all know the interference that we have had from that quarter. It is admitted by everyone. For example, the Prime Minister himself said that the interference of Mr. Meany was shocking, but much more grave to my mind was the interference of secretary of labour Wirtz, which the Prime Minister has branded in perhaps the understatement of the year as being less than helpful.

Well, Mr. Speaker, under this weak, hesitant government we do not make our own policies these days. We are not respected because we are not making our own policies. Last February the Prime Minister said that if he assumed office Canada would make her own policies in co-operation and friendship with her allies, but we know the results today. Not only do we not make our own policies with our neighbours, but the government cannot even make up its mind and cannot evolve constructive and definite policies. I defy anyone sitting on the government benches to point out any government in recent times which has backed down more often than the present government from its announced measures both in the budget, in resolutions and in proposed legislation.

Indeed, in modern times there has never been a weaker government in Canada, and one has to go back to the weak Liberal government of Alexander Mackenzie in 1873, almost a century ago, to find a parallel. We all know what happened to that Mackenzie government and how long it took the Liberal party to regain power.

Mr. Speaker, I had intended to be brief but the subject matter flows so abundantly, the examples are so numerous and the mistakes so fantastic that I can hardly pass up this opportunity to review them. I shall deal with but a few and, if I may so express myself, I am only scratching the surface. The Prime Minister laughs, but I would point out that according to a story carried by the Canadian Press and reported in the Ottawa *Journal* of October 11, 1963, it is stated:

> Canada-U.S. ties strained in 1963. Not-so-friendly neighbours.

Does the Prime Minister really think that this is a laughing matter—a laughing matter for this House of Commons or a laughing matter for the Canadian people? This article is substantiated by a large number of cases in point, all of them uncontroverted, and it refers to the unthinkable, almost incredible blunders of the Minister of Finance in the course of his budget legislation. There was the take-over securities tax from which the government sheepishly withdrew. Was that an example of the sound, constructive leadership which we were led to expect?

An hon. Member: Tell us about the dollar.

Mr. Martineau: Yes, the dollar is another example. Never has a party so blatantly deceived the Canadian people as in this matter of the Canadian dollar. Deny it if you will.

Mr. Deputy Speaker: Order. I am sure my learned and hon. friend will admit that he is going beyond the scope of the amendment now before the house.

Mr. Martineau: Mr. Speaker, I brought up the subject of the dollar because it was raised in a question by an hon. member opposite. Second, I believe it is very pertinent to this debate, because the debate deals with Canada-American relations, and the rate of our dollar in relation to the American dollar is very pertinent to those relations. However, I shall go on to another subject, because I understand how little government members want to hear about the dollar.

I was referring to articles such as the one I mentioned a moment ago, articles which are being published in periodicals all over the country, articles such as the one in the *Economist* to which the Leader of the Opposition referred this afternoon. They all show how much the government has lost its touch. How far away in the dim and vague past is the subtle hand of the great diplomat who now occupies the elevated position of Prime Minister of Canada. Where is the astute diplomat now?

An hon. Member: Right here.

Mr. Martineau: Only a few days ago there was another article in the Ottawa *Journal* on U.S.-Canada relations, written by I. Norman Smith, and headed "Stuntsmanship is not Statesmanship." I hope the Prime Minister and the members of his government have read that article, and that they realize how publicity stunts have recently led to a deterioration of these relations. Perhaps he will take the advice proffered in that article to go back to the ordinary fields of consultation between foreign experts and diplomats of both countries, and thus restore that free, easy and friendly relationship that should exist between Canada and our great neighbour to the south. That is what we in Canada want, but unfortunately that is not what we have received from the government.

In this matter of trusteeship legislation a lot of weakness has been displayed by the government. First we had a report by Mr. Justice Norris that revealed the shocking conditions existing on the great lakes, disruption of shipping, gangsterism, and all the excesses that are brought about by violence and disdain for the law. That was clear enough. Mr. Speaker, that report was brought in. The situation was defined as being urgent, but the government decided to wait. When it received the report, it acted as if it had received a baby from someone else, and it was a most embarrassing thing. It was a package which they did not want to touch.

An hon. Member: Don't you like babies?

Mr. Martineau: I like babies, but I also like a government that acts with a bit of decisiveness. The conduct of the government and the whole course of its decisions pertaining to this trusteeship legislation has displayed once again its lack of policy, its lack of decisiveness. The other opposition parties may think the government has acted in the right way.

Some hon. Members: Hear, hear.

Mr. Martineau: I admit that before placing Canadian unions under trusteeship every other avenue had to be explored. But I think too much time was spent—and I charge the government with this failure—not in sound negotiation, but simply in wishful thinking, in the hope that something would turn up. That something has not turned up and we have had these delays. First there was the delay in receiving the report, second in deciding to do anything about the report, third in implementing the legislation, and now in proclaiming the legislation. Then we had today's demonstration which, according to the Prime Minister (Mr. Pearson), was illegal because it was a walkout which in fact constituted a strike, and a strike that could not be justified under the seamen's contracts and under existing law; and the Prime Minister said the very fact of the march upon Ottawa was a way of exerting undue pressure on the government. The Prime Minister knows and the government know—or they should—that this walkout, coupled with the strike of the longshoremen that caused costly and very serious delays in the delivery of grain shipments to Russia and other countries, is placing our economy in jeopardy; yet they have done nothing up to this time.

The Prime Minister was asked today whether any sanctions would be taken against the union boss and members of the union for their illegal action, for their violation of the Industrial Relations and Disputes Investigation Act, and he said he will consider that matter. This is as far as they have progressed in this regard. Despite what the other opposition parties may say, is it not logical, is it not almost imperative that the opposition raise this question by proposing the motion of non-confidence which it has proposed? We must do this because it is our role to make the government realize it has mishandled this issue very badly and has completely mishandled the very important, vital question

of our relationship with the United States. Our only purpose in bringing this motion forward is to expose that indecision and inconsistency, and to express the hope that some action will be taken and that now the act will be proclaimed.

The Prime Minister said it would be proclaimed tomorrow. I hope it is proclaimed tomorrow. I hope, also, that the trustees will be appointed tomorrow; that the government will not allow unbearable pressure to be exerted upon it in regard to the proclamation and the execution of the provisions of the legislation and the appointment of the trustees. If the past record is any indication, I am afraid there will be further delay and there might also be more backtracking. Having regard to all these circumstances, to the sorry, disappointing performance of the government in every field, particularly in the very vital field of Canada-United States relations, to its hesitancy in permitting a very serious situation in the disruption of shipping to continue and to be aggravated, I think the government can no longer enjoy the confidence of this house. Those at the far end of this side of the house who on past occasions, when embarrassing questions have been raised, have abstained from voting, should support this motion. Surely, also, the Social Credit party, be it one group or another—those who say they are in favour of free enterprise, of democratic rights and all the rest—should also be the first to support this motion, because I know it is supported by the facts and by a large body of public opinion across this land.

Some hon. Members: Question.

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

Some hon. Members: Question.

Mr. J. C. Munro (Hamilton East): Mr. Speaker, if it is the wish of the house that the question be now considered, I am prepared not to speak on the matter.

Some hon. Members: Question.

Mr. Deputy Speaker: I understand the hon. member for Acadia (Mr. Horner) wants to speak.

Mr. Horner (Acadia): I believe Your Honour recognized the hon. member for Hamilton East (Mr. Munro).

Mr. Munro: Mr. Speaker, it does seem to be necessary to prolong the debate on the motion put by the Leader of the Opposition (Mr. Diefenbaker). I would think that to every reasonable, thinking member of this house the putting of a motion of this kind amply points out the utter futility that must be rampant in the opposition benches. It points out two prominent phenomena, to my mind, after listening to the Leader of the Opposition. First, it does seem strange that this non-confidence motion is based on a criticism of the government's handling of the labour strike and the S.I.U. It seems so strange because very influential and diverse components in our society—and I might say, opposing components in our society—such as the labour movement on the one hand and certainly the business interests on the other hand, seem to unanimously approve the government's action in this regard. Therefore it seems strange that on an issue such as this, where the government is to a great degree obtaining support from all walks of life and even from opposing groups in regard to this issue, it should be this issue upon which the opposition desires to bring down the government. To my way of thinking it indicates just how desperate is the opposition to find an issue at this stage. It certainly points out what a fantastic waste of time there is in this parliament when we have sunk to the level of debating frivolous issues such as this.

Another trend which became apparent during the speech of the Leader of the Opposition (Mr. Diefenbaker) was that he was prepared to bring this government down on the basis of the restrained and moderate action it has taken as far as the labour situation is concerned. We have endeavoured, not only in the course of this trusteeship legislation but throughout the longshoremen's strike, to work out a voluntary rather than an imposed solution. This, to my way of thinking, is the antithesis of bureaucratic, arrogant action. Yet, apparently, the right hon. gentleman would prefer to bring down this government because it did not impose a public trusteeship by bureaucratic action months ago, before giving the individuals and the authorities concerned an opportunity to work the matter out. He considered, apparently, that the government should have moved in immediately. Had they done so, we can almost hear the screams of protest about bureaucracy. This situation makes it clear, in my opinion, how ridiculous is a motion such as we now find before us. It is not difficult in these circumstances to understand the lack of enthusiasm on the part of the right hon. gentleman's followers today. We all recognize what a fearful waste of time this lack of confidence motion really is. Indeed, it makes a mockery of the procedures of this house.

Today we heard the leader of the New Democratic party speak out in support of the action which has been taken by the government. The members of the N.D.P. hold themselves out as being the friends of labour, and

they say they support the measured and restrained action this government has taken. I should like to read, from an article which appeared in the *Globe and Mail* less than a week ago. It is from an editorial which appeared in the issue of October 16 under the heading "Strong Performance":

> When negotiation for a private trusteeship of Canadian maritime transport unions broke down last week, labour minister Allan J. MacEachen and the Canadian Labour Congress were subjected to outspoken and unreasonable criticism by United States labor secretary Willard Wirtz and Mr. George Meany, president of the American Federation of Labour-Congress of Industrial Organizations.
>
> Legislation to establish government trusteeship over the unions moved irrevocably through the House of Commons despite the U.S. criticism.
>
> A strike by the international longshoremen's association crippled four St. Lawrence river ports and threatened to wreck the Canada-Russia grain deal. A mediator appointed by Mr. MacEachen moved into the picture and settled a strike that could have led to compulsory arbitration or more drastic federal government action.

Let us see how clearly the next paragraph is at variance with what the Leader of the Opposition had to say:

> Mr. MacEachen, a 41-year-old former professor of economics, held a steady course under the strongest pressure of his political career. The I.L.A. settlement promises three years of peace. The trusteeship legislation shows strength of purpose to clean up the tangled waterfront mess according to the letter and spirit of the report by Mr. Justice T. G. Norris, who defined the problem and suggested the solution.
>
> Members of Prime Minister Lester Pearson's cabinet have not always performed well under political fire. In a portfolio that needs a man with the confidence of the labour movement and the strength to deal with labour fearlessly, Mr. MacEachen's record so far gives reason for optimism for the future.

There we have an editorial dealing with the government's record and calling attention to this aspect as one of the brightest places in that record. Against such a background it becomes nonsense for the Leader of the Opposition to waste the time of this house by bringing in a want of confidence motion of the kind now before us, when there is ample evidence, from what has appeared in the press, and from what has been said by the leader of the New Democratic party, that the action taken by the government on this issue was restrained, and all that could be expected. So the exercise we see today seems a futile one.

Another reflection which occurred to me while I listened to the speech of the Leader of the Opposition was this: here is a man who for years has set himself up as a champion of the rights of the individual. Yet he inferred at the time of the longshoremen's strike last week that he wanted the Minister of Labour (Mr. MacEachen) to move in and impose compulsory arbitration before giving the parties themselves an opportunity to reach an agreed solution. As it turned out—probably to the disappointment of the Leader of the Opposition—the strike was settled without there being bureaucratic governmental intervention of the kind which the right hon. gentleman is supposed to detest so much. This speech comes from the man who is the author of the bill of rights. It is strange that a man responsible for a bill guaranteeing the rights of individuals should advocate compulsory arbitration before the parties concerned could work out a solution. This type of thinking was in evidence not only with regard to the longshoremen's strike but also to this trusteeship legislation. He would have had a solution imposed months ago before the parties had had a chance to settle the problem on a private basis. Should this be the attitude of a man who champions the rights of individuals? The bill of rights talks about freedom of association. Well, we have only to consider the longshoremen's strike last week. Here was a legal strike. The men started months ago going through all the conciliation processes available to them, until the time came then they had the legal right to strike. Before they had been out for two days the Leader of the Opposition wanted this government to move in and impose compulsory arbitration.

On this basis, we see how contradictory and frivolous was the speech made this afternoon by the Leader of the Opposition. I suggest the attitude of his followers amply indicates that there is no sincerity behind this particular want of confidence motion and I hope it will be disposed of as quickly as possible.

Mr. J. H. Horner (Acadia): Mr. Speaker, we seem to be in a position where we are being lectured for bringing in an amendment to a supply motion. I understood that it was the leader of the house who proclaimed what the business would be. I thought it was he who laid down that there would be a supply motion every week, from now on, until they were all through.

We in the opposition are merely taking advantage of an opportunity which is rightfully ours. In doing so we have chosen to discuss a situation which is of the utmost importance to the economy of Canada today. We are taking advantage of this occasion to show the people of Canada why this particular situation has arisen, and who are responsible for this meaningless bungling or mishandling of the shipping problem on the great lakes. This is our rightful duty. It is our purpose. The hon. member for Hamilton East (Mr. Munro) can call it a frivolous

issue if he likes. The Prime Minister can sit in his place and laugh about the problem facing Canada today, if he feels it is a laughing matter. The hon. member from Hamilton can call any issue affecting the economy of the country from coast to coast a frivolous issue, if he pleases. That may be his duty here; I do not know. However, I feel that as a representative of western Canada and of all Canada I should point out that corrective measures were not taken when they should have been taken to ensure the movement of exports from this country.

I should like to point out to the house that the great lakes shipping season will soon be drawing to a close. Is this bill going to be proclaimed at Christmas time when the issue is no longer of paramount importance owing to the freeze-up of the great lakes? We go along with the leader of the New Democratic party who commends the constructive purposes of the legislation. But why was the legislation necessary in the first place? We were told at the end of July that the legislation was ready to be brought in. But two months went by. Personally, I thought that two months would be all right, that perhaps it needed two months to get the various unions together and to a point where they could agree that the problem should be solved. But because of continued interference from across the line we got nowhere. I do not say that maliciously. We in western Canada are very fond of our neighbours to the south, but it is obvious that in recent months United States-Canadian relationships have not been too friendly. One has to look only at the headline of the *Financial Post* of October 19, 1963, to see the heading: "White House now thinks Canada is just a nuisance". Perhaps the Prime Minister called the President two or three times too often. Why should he have to call him at all? We are dealing with a Canadian matter of concern to our economy and exports. Some people laugh and call it a frivolous issue. Our wheat exports are tied up owing to meaningless bungling on the part of this government.

This whole issue should have been solved. It is all very well for the hon. member for Medicine Hat (Mr. Olson) to tell us to pick up the Norris report and look at table 31 for the evidence. The evidence is certainly there. The report was tabled not too long ago; we now want action. Why has not the Minister of Justice (Mr. Chevrier) laid some charges on the evidence adduced before the Norris commission? He has been asked several times about this, and prompted and prodded by questions in the house, but no action has been forthcoming. The government waited till the eleventh hour, until the dispute was irreconcilable. There is a headline in today's *Globe and Mail* which says: "S.I.U. ordered by Ottawa to halt the walk out at once". Anyone with any experience in handling men or experience in public relations or diplomacy would admit that handling people is perhaps the finest test of diplomacy. We know what a great diplomat the Prime Minister is held out to be, but the government brings in legislation which orders the S.I.U. to do things. You cannot order a group of men, Mr. Speaker, to do something and expect to receive their co-operation. You cannot order a group of men to go back to work.

The government had two months, from August to October, to get these groups together. But what did they do? They listened to Mr. Meany and Mr. Wirtz of the United States. They contacted the President several times. They dealt with Mr. Jodoin. But at no time are we told that they made actual efforts to get the five unions concerned together so that agreement could be reached. I do not know much about labour unions or labour matters—

An hon. Member: Hear, hear.

Mr. Horner (Acadia): It is always nice to know that someone is listening to you, Mr. Speaker—but I can say that two years ago the non-ops on the railroads were threatening to strike, and the government of that day brought in legislation, but before doing so made sure the union heads would agree to abide by it.

What are we told about the legislation recently passed? We are now waiting for it to be proclaimed. But according to the Minister of Labour (Mr. MacEachen) the worst is yet to come. Not too long ago in the house he made that statement. This should all have been taken care of before now. The farmers of western Canada do not think this is a frivolous matter when their livelihood is at stake and the export of their prime product is held up. According to a late issue of the *Union Farmer*, a paper put out by the farmers' union of Saskatchewan, a call is made for more judicial settlement of this strike. That is a surprising thing to see in a Saskatchewan farmers' union paper, but the people are fed up and want the matter resolved. But it should not be handled in the meaningless bungling way of ordering people to go back to work. That is the worst thing which could be done with the S.I.U. men in their present frame of mind.

We have heard a lot of talk about voluntary trusteeship and the consultations had with Mr. Jodoin. Surprisingly enough we have not heard about the five other labour

unions being consulted. Mr. Jodoin said the other day that a voluntary trusteeship is impossible now. The Prime Minister comes into the house today and tells us it is impossible; he accepts Mr. Jodoin's statement. Whether it is correct or not I do not know, but I do feel that there has been a great deal of meaningless bungling with regard to the handling of this whole issue. May I call it ten o'clock?

Mr. Deputy Speaker: Order.

Mr. Pickersgill: Mr. Speaker, before you call it ten o'clock I wonder if I could have the unanimous consent of the house to revert to motions.

Mr. Deputy Speaker: Has the Secretary of State unanimous consent to revert to motions?

Some hon. Members: Agreed.

VETERANS AFFAIRS

REFERENCE OF DEPARTMENTAL ESTIMATES TO STANDING COMMITTEE

Hon. J. W. Pickersgill (Secretary of State) moved:

That the items listed in the main and supplementary estimates for 1963-64 relating to the Department of Veterans Affairs presented to this house at the present session be withdrawn from the committee of supply and referred to the standing committee on veterans affairs, saving always the powers of the committee of supply in relation to the voting of public moneys.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Churchill: May I ask the house leader what the business is for tomorrow and Wednesday?

Mr. Pickersgill: Tomorrow we will go on with this debate. Should the debate end before ten o'clock we would like to finish the vocational training resolution if we could. If that were finished we would go on with the debate on the Income Tax Act. The Income Tax Act would be the business for Wednesday also and from then on until it was completed except, of course, for Thursday and Friday evenings when, by understanding, we are to take estimates.

It being three minutes after ten o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Tuesday, October 22, 1963

The house met at 2.30 p.m.

PRIVILEGE

MR. SPEAKER—STATEMENT ON QUESTION RAISED BY MEMBER FOR GREY-BRUCE

Mr. Speaker: On October 17, in the course of proceedings, the hon. member for Grey-Bruce (Mr. Winkler) rising on a question of privilege stated in part as follows:

Yesterday—

That was Wednesday, October 16.

—a motion for the production of papers was on the order paper, motion No. 99, and there was an extended discussion with regard to the existence of a certain document. In the course of that discussion it was stated by the Postmaster General that this document did not exist. These words are to be found in *Hansard* at page 3626. A little earlier the Secretary of State also stated that the document did not exist. This was in accord with discussions which took place during consultation between the Secretary of State and the Post Office Department.

For the benefit of the house and the country, I have such a document before me now. As a matter of fact it is a copy of the document in question the production of which was requested under the terms of motion No. 99. If the house so desires I am prepared to table it, and that would end the discussion.

Later the hon. gentleman went on to say:

If I may say a further word, the main point at this juncture is not whether the list which I have is authentic, though I believe it to be so. It is that the Secretary of State misled the house yesterday when he said this particular document did not exist. Also, if the words of the Secretary of State were clear, and I believe they were, then of course the Postmaster General had misled the Secretary of State as he misled the entire house.

As the hon. gentleman implied, there were two points involved in this question. If the house will permit, I would like to deal first with the question of whether a private member may table a document. Citation 209, Beauchesne's fourth edition, states in part:

Papers are laid before the house in pursuance of
(1) Provisions of an act of parliament;
(2) An order of the house;
(3) An address to the crown;
(4) The command of the crown;
(5) Standing orders of the house.

According to this citation no member can table a document, as in the present circumstances, unless there is some authority for such action. I think the hon. gentleman from Grey-Bruce tacitly admitted this fact when he asked for unanimous consent to table the document.

The second point raised by the hon. member for Grey-Bruce is that the hon. Postmaster General as well as the Secretary of State misled the house when they stated that such a document did not exist. I must say that after looking over the record the difficulty would appear to be a difference of opinion. On the one hand it is asserted that no such document had been prepared and does not exist, while on the other hand the hon. member for Grey-Bruce has a document which he contends is a copy thereof. In other words there is a dispute as to facts.

In this regard I would like to refer to citation 113, Beauchesne's fourth edition, where it is stated in part as follows:

—a dispute arising between two members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

Therefore in my opinion a prima facie breach of privilege does not arise in this instance.

CARRIAGE BY AIR ACT

AMENDMENTS TO CONFORM TO PROTOCOL TO WARSAW CONVENTION

Hon. G. J. McIlraith (Minister of Transport) moved the first reading of Bill No. S-37 (from the Senate), to amend the Carriage by Air Act.

Motion agreed to and bill read the first time.

NORTHERN AFFAIRS

HAINES ROAD—ANNOUNCEMENT OF MAINTENANCE DURING WINTER

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I wonder whether before the orders of the day are called I might have the permission of the house to revert to motions just to make a brief announcement. On a number of occasions questions have been raised in the house with regard to the Haines road, and for this reason I should now like to make a short statement on this subject.

The government has today decided not to close the Haines road this winter, subject of course to satisfactory negotiations in respect of the technical requirements necessary to effect such a policy. Keeping open the road during the winter months will be in the nature of a trial for one year to determine the

feasibility of maintaining this road on a year round basis. The project will involve the co-operation not only of several government departments, including the Departments of Northern Affairs, Public Works and National Defence, but it will also require negotiation with the government of the United States.

Mr. Erik Nielsen (Yukon): Mr. Speaker, may I just reply very briefly. I thank the minister for his announcement and for the decision which has been made to keep the Haines road open. His announcement will be welcomed most heartily by the people in the Yukon, I am sure, by the people in Alaska, and in fact all up and down the Pacific northwest coast where there is now, as he knows, a very successful ferry system in operation.

I hope the experiment leads to a decision by the department to keep the road open on a permanent basis. I am sure the minister and his colleagues in the government will find that it will be economically feasible and will introduce an economic viability in that part of the country and in Alaska which does not now exist.

I thank the minister very much for his consideration, also the Minister of Northern Affairs and National Resources.

[*Later:*]

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, in the absence of the minister of northern affairs I would like to direct my question to the Minister of National Defence in connection with a statement he made this morning, the last sentence of which points out that the prospect of keeping the Haines road cut-off open will require the co-operation of Departments of Northern Affairs, Public Works, National Defence, and also of the government of the United States. As the minister knows, the United States portion of the road is maintained during the winter, so that only the Canadian portion is involved here.

I have several times asked the minister of northern affairs this same question. Has the government decided to accept the offer of the Alaska authorities to keep the Canadian section of the road open with United States personnel and equipment, with the state of Alaska back-billing the Canadian authorities for this service?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I think what is implied in that last sentence is the question of the terms and conditions under which some arrangement could be worked out with the state of Alaska.

[Mr. Hellyer.]

Mr. Nielsen: May I ask a supplementary question. Have the terms and conditions finally been worked out?

Mr. Hellyer: Not yet, Mr. Speaker.

HOUSE OF COMMONS

OFFICIAL NAME OF NEW GROUP IN HOUSE

On the orders of the day:

Mr. Georges Valade (St. Mary): On a question of order, Mr. Speaker, I should like Your Honour to inform the house by what nomenclature we should refer to the new group sitting at the far left of the chamber when we wish to refer to them in debate in the house.

Mr. Speaker: Perhaps the reply should come from the hon. member for Villeneuve, but I believe it was agreed upon this morning. If I may express it in my poor French, it is Ralliement Creditiste or Social Credit Rally.

REQUEST FOR YEAR ROUND EMPLOYMENT OF MEMBERS' SECRETARIES

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, may I put a question to the Secretary of State?

Is the Secretary of State in a position to inform the house whether the working conditions of members' secretaries will be improved, and whether changes are being considered so that they may remain the year round in the members' service?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I will have a look at the question when it appears in *Hansard* and see what I can say in reply.

UNITED NATIONS

CANADIAN VOTE ON ADMISSION OF COMMUNIST CHINA

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. I should like to ask the minister why the Canadian delegation voted yesterday against the admission of mainland China to the United Nations.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the draft resolution which was introduced this year was sponsored by Albania and not, as usual, by the Soviet union. While the Soviet union and

India, which have at various times in the past taken the lead in trying to secure a change in Chinese representation, promised to vote in favour of the draft resolution and indeed did so, it is notable that they did not sponsor the resolution this year.

The draft resolution which was presented provided for two things, the seating of representatives from communist China and the expulsion of representatives from the nationalist Chinese government. As Canadian representatives have said in recent years, the Canadian government is ready to consider carefully any proposal to settle equitably the question of Chinese representation; but an equitable solution, among other factors, must preserve for the people of Formosa the right to self determination. This year's resolution did not make such provision; therefore the Canadian delegation could not and did not support it. I believe the vote demonstrated that the majority of the United Nations member states shared the point of view of the government of Canada.

Mr. Douglas: A supplementary question. Could I ask the minister why the Canadian delegation did not move an amendment providing for the seating of mainland China and also for representation in the United Nations for Formosa?

Mr. Martin (Essex East): Mr. Speaker, I am sure the answer must be clear to my hon. friend. The reason the delegation did not is that it did not receive instructions accordingly from the government of Canada.

Mr. Douglas: Could I ask why the secretary of state was so derelict in his duty?

Mr. Martin (Essex East): I am sure my hon. friend does not mean that. My hon. friend knows that in this particular instance the Secretary of State for External Affairs was not derelict in his duty.

COMMONWEALTH SEAT ON SECURITY COUNCIL

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to ask the Secretary of State for External Affairs if he can advise the house what is the position regarding a commonwealth seat on the security council. There has been some question raised in this regard, and it would be most important that the commonwealth have representation on the security council.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the right hon. gentleman gave me notice of his intention to ask this question yesterday. It is the desire of the government to see that there should be an expansion of the security council to take into account the needs of the newer members, and an expansion of the other councils of the United Nations as well.

It would be regrettable if, in the redistribution that followed such an expansion, the commonwealth were not given a seat. This would be unfortunate not only from the point of view of the commonwealth as such but from the point of view of the newer African and Asian members of the commonwealth. As yet there has been no decision on the matter, but my hon. friend may be assured that it is being pursued diligently.

[*Later:*]

Mr. W. B. Nesbitt (Oxford): Mr. Speaker, I should like to ask the Secretary of State for External Affairs a question related to the one asked by the right hon. Leader of the Opposition a few moments ago. It concerns the commonwealth seat on the security council. Having regard to the reply given by the Secretary of State for External Affairs, could he tell us whether the Canadian delegation is doing its best to protect the commonwealth seat, in view of the great pressures to remove some of the present incumbents on the security council, before the council is itself expanded? I refer to the pressure to remove perhaps one of the Latin American delegations, one of the eastern European delegations and perhaps the commonwealth one.

Mr. Martin (Essex East): Yes, sir.

LABOUR RELATIONS

GREAT LAKES—PROPOSED MEETING BETWEEN MINISTER AND HAL BANKS

On the orders of the day:

Hon. Michael Starr (Ontario): Mr. Speaker, I should like to direct a question to the Minister of Labour. In view of the request by Mr. Banks for a meeting with the Minister of Labour, and the minister's reply to the effect that such a meeting could be arranged if the S.I.U. crews went back to work, could the minister give us an inkling of what are the possibilities of such a meeting and what actually is the purpose of such a meeting?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I intend later in the day to take part in the debate now before the house, and I will be glad to go into some detail with respect to the conversation which I had with Mr. Banks.

Mr. Starr: A supplementary question. In view of the reluctance of S.I.U. crews to get back to work, and as a result the tie-up of operations on the lakes, is the government planning to do anything, or is a time limit being set for this walkout after which the

government would do something, to make sure that operations on the great lakes will be resumed?

Mr. MacEachen: I will also deal with that point, Mr. Speaker.

TRUSTEESHIP LEGISLATION—CO-OPERATION OF U.S. GOVERNMENT AND UNIONS

On the orders of the day:

Mr. J. H. Horner (Acadia): Mr. Speaker, I should like to address a question to the Prime Minister, but in his absence I will direct it to the deputy prime minister. Can he assure the house that United States A.F.L.-C.I.O. trade unions and the United States government will co-operate in ensuring that this public trusteeship, which I hope will be proclaimed soon, will be enforced in the United States so as to restore shipping on the great lakes?

Hon. Lionel Chevrier (Acting Prime Minister): Mr. Speaker, as I understand the rules of the house the government is responsible for actions under its own jurisdiction. Unfortunately, I cannot answer a question dealing with another jurisdiction.

Mr. Horner (Acadia): A supplementary question. Has the Prime Minister of this country, who is in close collaboration with the President of the United States, received an assurance that the law of the land will be enforced regarding shipping on the great lakes?

Mr. Chevrier: The Prime Minister of this country made it quite clear yesterday what are his intentions with reference to the trusteeship, and I have nothing to add to what he said.

Mr. Speaker: The hon. member for Medicine Hat.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, I was going to ask the Minister of Labour a question, but he has already stated that a reply will be given later in the debate today so I will not ask the question.

ST. LAWRENCE RIVER—INQUIRY INTO LONGSHOREMEN'S PENSION FUND

On the orders of the day:

[*Translation*]

Mr. Georges Valade (St. Mary): Mr. Speaker, may I direct a question to the Minister of Labour?

In view of the rumours going around to the effect that the longshoremen could resume their strike should the government not carry out the requests and recommendations of Judge Lafleur regarding a royal commission of inquiry into the administration of the Shipping Federation of Canada, could the minister tell us whether he intends to carry out the recommendations of Judge Lafleur so that a resuming of the strike by the longshoremen may be averted?

[*Text*]

Hon. A. J. MacEachen (Minister of Labour): The mediator, Judge Lippe, apparently included in his proposals to the parties the institution of an inquiry by the federal Department of Labour. We had not received the report from Judge Lippe, and until we had done so it was obviously impossible for us to take such action. We have now received the report, and a commission of inquiry has been appointed.

Mr. Valade: Will the minister consider setting up a royal commission of inquiry—

Some hon. Members: He has done so.

Mr. Valade: —into this pension scheme as was expected by the federation?

Mr. MacEachen: Yes, the government has taken action. The only way in which this could be done under the labour laws was to appoint a commissioner to inquire into the matter, and this has been done.

Mr. Balcer: Would the minister tell us the name of the commissioner?

Mr. MacEachen: I understand that Judge Lippe has accepted this further responsibility.

TRADE

WHEAT—POSSIBLE TRANSFER TO U.S. OF PART OF RUSSIAN CONTRACT

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 Trade and Commerce regarding press reports from Washington to the effect that Russian trade negotiations going on there indicate that it is possible that part of the Canadian wheat contract with the Soviet union may be transferred to United States buyers as a result of the failure of Canadian deliveries of wheat. Is the minister in a position to assure the house that delivery of wheat under the contract with the U.S.S.R. is being maintained without interruption, and that no part of the Canadian contract is going to be transferred to the United States?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, in the contract between the U.S.S.R. and the Canadian wheat board there is, of course, the ordinary strike

provision, but other than that there are no provisions under which any part of the contract would not be delivered.

Mr. Diefenbaker: What is the minister's view in this regard? Is there any ground for this report from Washington to the effect that there is a possibility, if not a strong one, that a portion of this contract will be detoured to the United States?

Mr. Sharp: Mr. Speaker, I know of no such possibility or doubts. The Canadian wheat board has every intention of fulfilling this contract, and as far as we know the U.S.S.R. has every intention of fulfilling its side of the bargain.

[*Later:*]

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I wish to direct a question to the Minister of Trade and Commerce. Yesterday I asked the minister a question in reference to the quantity of grain delivered under the contract between the Canadian wheat board and the U.S.S.R. What quantity has actually and physically been delivered from Canadian ports under that contract?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, following this request yesterday I spoke to the Canadian wheat board, who have informed me that according to the board of grain commissioners, which publishes the figures monthly, the total amount shipped up to the end of September was 5,100,000 bushels; that is, from Canada to the U.S.S.R. It would be possible, of course, for the Canadian wheat board to give detailed figures, I suppose up to a couple of days ago, but the wheat board does not think it would be in its interests as a marketing agency to give figures as recent as that. It prefers, therefore—and I hope the hon. gentleman will agree—to follow the usual practice of publishing them when they are released by the board of grain commissioners.

SUGAR

ACTION TAKEN WITH RESPECT TO RISING PRICES

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, I wish to address a question to the Minister of Trade and Commerce on behalf of the housewives of Canada. In view of the announcement by the sugar refineries of an increase in the price of sugar of $1.10 per hundred, would the minister inform the house what action the government intends to take to prevent this continued milking of the Canadian consumer by the sugar monopolies?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I gave an answer to a similar question yesterday regarding recent trends in sugar prices, and I do not think there is much I can add to what I said yesterday. Prices in Canada are following those in international markets. The question of what action might be taken seems to me to relate, as far as the powers of this government are concerned, to possible action under the Combines Investigation Act, about which my colleague the Minister of Justice might like to say a word.

[*Later:*]

Mr. R. W. Prittie (Burnaby-Richmond): Mr. Speaker, I have a question for the Minister of Trade and Commerce, related to that asked earlier by the hon. member for Kootenay West about the sugar price situation. Will the government give consideration to calling a conference of the Canadian sugar refining companies with a view to encouraging a voluntary stabilization of the prices?

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, I shall give consideration to the hon. gentleman's suggestion, but I do not really think such a conference would produce very much by way of useful results, and I would not wish any such impression to be created.

[*Later:*]

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, may I direct a question to the Minister of Justice?

My question is related to that put by the hon. member for Burnaby-Richmond (Mr. Prittie) to the Minister of Trade and Commerce.

Can the minister tell us if he is considering the possibility of setting up an investigation to find out if the sugar dealers in Canada have conspired together to make the price of sugar fluctuate so wildly? Such action would reassure the Canadian housewives and their husbands, of course.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I already answered a similar question asked by the same member last June 13, I think.

I fail to see what I could add except this. As the hon. member knows already, the prices of sugar are determined, to a large extent, by international conditions on which Canada has no control. On the other hand, the director of research of the Combines Investigation Act administration has some jurisdiction in the matter, and he is following the situation closely at the present time.

[*Text*]

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the minister whether it is correct that sugar grown in Canada has

also been increased in price just as though it were being imported from outside this country. Has his restrictive trade practices branch investigated this matter to see whether this is in contravention of the combines investigation legislation?

Mr. Chevrier: Mr. Speaker, as my hon. friend knows, the director of the restrictive trade practices branch of the department is keeping this whole situation under active surveillance. All I can say in answer to the question is that should any aspect of this situation give the director reason to believe that an offence against the act has been committed, he will take the action that the statute requires.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, as a supplementary question I would ask the minister whether in so far as western Canadian beet sugar is concerned, which is refined at Winnipeg and Lethbridge, the people in western Canada are being penalized by having to pay the world sugar price, plus freight charges, as if the sugar was shipped from Montreal, when in fact it is coming from one or other of those two refineries.

Mr. Chevrier: Mr. Speaker, I think I would have to take this question as notice. I will try and give a reply tomorrow.

TRANS-CANADA AIR LINES

CONSTRUCTION IN CANADA OF NEW PLANES TO BE ACQUIRED

On the orders of the day:

[*Translation*]

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I have a question for the Minister of Transport.

In view of the economic importance of the possible purchase of aircraft for Canada through Trans-Canada Airlines, is the minister making the necessary representations to the crown corporation so that they select the aircraft that will provide employment to the largest possible number of Canadians?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): As I have indicated on other occasions, this question of employment for Canadians will be considered when a decision is taken concerning what aircraft, if any, are to be bought.

[*Translation*]

Mr. Lessard: Mr. Speaker, may I ask a supplementary question?

In view of the fact that the decision concerning the purchase of those aircraft will apparently be made today or tomorrow, does not the minister consider those pressures and representations to be very urgent?

[*Text*]

Mr. McIlraith: No, Mr. Speaker. The decision will not be made today or tomorrow. I anticipate it will be some considerable time before a decision is made.

LABOUR CONDITIONS

BRANTFORD, ONT.—DESIGNATION AS DISTRESSED AREA

On the orders of the day:

Mr. A. D. Hales (Wellington South): I should like to direct a question to the Minister of Industry. In view of the report in the *Globe and Mail* today that the city of Brantford went over the top and was the first city in Canada to reach its objective in the 1963 community chest campaign, would the minister reconsider his decision to leave Brantford on the list of depressed areas in Canada?

Hon. C. M. Drury (Minister of Industry): I am sure we all congratulate the city of Brantford on being so generous in the philanthropic field. However, I cannot quite see what relationship this has to the rate of economic growth.

AGRICULTURE

PARTICIPATION BY MINISTER IN CATTLE AUCTION

On the orders of the day:

Mr. F. J. Bigg (Athabasca): I wish to address a question to the Minister of Agriculture. Will the minister inform the house whether or not he participated in a cattle auction at Kingston on Tuesday, October 15?

Hon. Harry W. Hays (Minister of Agriculture): I shall be glad to answer that question, because there seems to be some concern about my activities and commitments outside the house. Last Tuesday I left Ottawa at 11 o'clock and flew down to Kingston in a plane which I paid for. I sold about 50 head of cattle for 50 dairy breeders in Ontario who contribute to a sale each year advertising their artificial insemination unit.

Some hon. Members: Oh, oh.

Mr. Hays: This is a field of science which some of the hon. members here do not seem to know about.

I might say that there were about 700 or 800 farmers present at this sale, and they represent the best breeders we have in eastern Ontario. I promised them over a year ago that I would conduct this sale for them. I have always lived up to my commitments,

and will continue to do so. I might say, too, that it was an excellent sale and was productive of the highest returns of any sale that has been held in eastern Ontario. The breeders were very pleased. I returned to the house at half past four and on three different occasions tried to get up to speak, but I was not permitted to do so. No other member from this side of the house was allowed to speak until the vote at a quarter after eight. The hon. member for Joliette-L'Assomption-Montcalm was doing a lot of talking, but there was not much to listen to.

Before I sit down I should like to inform the house that I am going to conduct some more sales. I should like the house to know about this because I am committed to them.

Mr. K. H. More (Regina City): I rise on a point of order. The minister was asked a simple question, and a yes or no answer could have been given.

Mr. Speaker: The minister was just about to conclude.

Mr. Hays: Yesterday, Mr. Speaker, I conducted another sale which is called the "all-Canadian sale", and in which Senator Harry Willis had an outstanding animal, as did Dr. Rynard. These cattle usually come from all over Canada and there were people at the sale from the Argentine, Italy and West Germany. They come from all over the world to buy these cattle. I should like hon. members to know that we have the finest Holstein cattle in the world. I had the opportunity of selling these cattle before I became a member, and I am not going to stop now.

Mr. Bigg: I should like to ask a supplementary question, though I hesitate to do so even though it is relevant to this subject. Will the Minister of Agriculture say whether the statement made by the Prime Minister as recorded in *Hansard* for October 16, 1963, page 3632 is correct:

> The Minister of Agriculture and his associate, having taken part in this debate on agriculture, left the house to attend engagements previously undertaken for the Minister of Agriculture with farmers of Canada in the west.

Mr. Hays: I should like to answer that. I was at the grass roots in the morning, and I was in western Canada that evening at nine o'clock.

Mr. Lawrence E. Kindt (Macleod): I should like to ask the Prime Minister or the minister acting in his absence a question. In view of the editorial in yesterday's *Globe and Mail*—

Some hon. Members: Order.

Mr. Kindt: —is the Prime Minister giving consideration to the appointment of not an eastern or western but a third minister of agriculture, to sit in the House of Commons when agricultural matters are being discussed?

Hon. Lionel Chevrier (Acting Prime Minister): This question was answered by the Prime Minister, to the effect that there is legislation on the order paper and in due course it will be considered by the house.

Mr. Kindt: May I ask a supplementary question. I mentioned a third minister of agriculture to sit in the house. The question is unanswered.

[*Later:*]

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, in view of the statement made a few minutes ago by the Minister of Agriculture I wish to rise on a question of personal privilege and put on the record the exact facts. Last Tuesday I spoke from twenty minutes to five until twenty minutes after five.

Mr. Pickersgill: Mr. Speaker, on a point of order—

Mr. Vincent: The Minister of Agriculture came into the house at the end of my remarks and not at 4.30.

Mr. Pickersgill: On a point of order—

Some hon. Members: Oh, oh.

Mr. Speaker: Order. The Secretary of State has risen on a point of order.

Mr. Pickersgill: My point of order, Mr. Speaker, is that there does not appear to be anything that has happened in the last few minutes which would occasion or give any excuse for the raising of a question of privilege about something that took place several days ago in this house, and there is a rule of the house—

Some hon. Members: Oh, oh.

Mr. Pickersgill: —and a rigid rule, that questions of privilege are to be raised immediately the incident occurs or they are not to be raised at all. It seems to me that if we are to do any of the public's business in this house we will have to abide by some of the rules.

An hon. Member: You never did in your time.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, something has happened this afternoon. The Minister of Agriculture rose and made a statement full of insemination and various types of personal propaganda. He made a statement which challenges the hon. member's veracity, the hon.

member the other day having made the statement that the minister was not here. I submit it is proper that the hon. member who has asked to raise the question of privilege be allowed to do so.

Some hon. Members: Hear, hear.

Mr. Chevrier: Mr. Speaker—

Mr. Vincent: On a point of order—

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

Mr. Vincent: On a point of order—

Mr. Chevrier: On a point of order then, Mr. Speaker, the rules of the house are quite clear, and I am sure no one knows them better than the Leader of the Opposition; namely, that when a question of privilege arises one should speak to it immediately and not wait for at least 45 minutes as the hon. member has done. Furthermore, this question was discussed yesterday or the day before—

An hon. Member: Are you afraid of the truth?

Mr. Chevrier: —when it was clearly understood, I believe, by those who sat in the house that this was a question for debate, and my hon. friend can certainly rise and discuss it on another occasion.

Mr. Vincent: Mr. Speaker, on the same question of privilege, ever since the Minister of Agriculture made his statement I have been getting up and trying to get the Chair to recognize me and give me the floor.

Mr. Pickersgill: A point of order has been raised, and it seems to me that under the rules there must be a decision on the point of order before the matter can be proceeded with.

Mr. Starr: Let the Speaker decide. He is the Speaker of the house.

Mr. Martineau: On the point of order, it seems to me that two objections have been raised, one by the Secretary of State and the other by the Minister of Justice, with regard to the question of personal privilege. The Secretary of State stated that the hon. member's question of privilege arises from something that took place in the house several days ago. That is not so; it arises from the statement made this afternoon by the Minister of Agriculture. The Minister of Justice went on to say that even if it did arise from that statement this afternoon it is now too late because 45 minutes have elapsed. As the hon. member has just pointed out, Mr. Speaker, he has tried to catch your eye and get the floor ever since the minister made his statement, and this is the first opportunity he has had to bring the point before Your Honour.

[Mr. Diefenbaker.]

Mr. Chevrier: Mr. Speaker, may I direct your attention to standing order 17, which is in these words:

> Whenever any matter of privilege arises, it shall be taken into consideration immediately.

Mr. Vincent: Mr. Speaker, I have just explained that is what I have tried to do.

Mr. Speaker: Just one minute. After taking advice I have come to the same conclusion with regard to the question of immediate opportunity. The hon. member stood up several times, but because of the number of members who wished to ask questions I could only get around to him when I did, so I think he is quite correct. He stood up at the first opportunity, but I am still waiting to hear what his question of privilege is, so I think the hon. member should continue.

Mr. Vincent: My question of privilege is this. The minister said he came into the house at 4.30, whereas he came into the house at the end of my remarks. Second, he said that no member of his party was recognized by the Chair after I had finished. The hon. member for Drummond-Arthabaska was recognized by the Chair right after my remarks.

So the facts are these. The minister did not come into the house at 4.30. Second, a member of his party was recognized by the Chair right after my remarks. Third, although the hon. member for Joliette-L'Assomption-Montcalm is well known, I should like the minister to recognize me when I am speaking, because he will profit from listening to me and reading my remarks.

STATEMENT BY MINISTER RESPECTING COST OF FARM MACHINERY

On the orders of the day:

Mr. J. A. McBain (Elgin): I have a question for the Minister of Agriculture. Was the minister forecasting government policy when on Monday last, October 14, he referred in his speech to the high cost of farm machinery and said this was one of the problems we must resolve? If so, is it his intention to introduce legislation relative to the high cost of farm machinery, or have the standing committee on agriculture conduct a further study of this problem as was done in 1961?

Hon. Harry W. Hays (Minister of Agriculture): I agree with the hon. member that this is one of the greatest problems facing the farming community in Canada. Certainly this government is taking a long look at it. I hope we will have the help of all in solving this very important problem.

Mr. McBain: May I ask a supplementary question. Will the minister refer this matter to the agriculture committee for further study?

Mr. Hays: Yes; we want everyone's co-operation. We are looking for all kinds of help.

PROVISION OF FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to put a question to the Minister of Agriculture with regard to the brief submitted by the Catholic Farmers' Union of the province of Quebec last week, asking the government to set up in eastern Canada a distribution agency for western feed grain. Could the minister tell the house whether the government intends to extend the powers of the Canadian wheat board so that it could carry out the same duties as the agency whose establishment is requested?

[*Text*]

Mr. Speaker: That is a question for the order paper. The hon. member for Pontiac-Temiscamingue.

Mr. Martineau: Mr. Speaker, my question dealt with the delegation from the gold producing community, and has been answered by the Minister of Mines and Technical Surveys.

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, you just told me that my question should be put on the order paper, but the hon. member for Chicoutimi put a similar question yesterday, and the minister gave him an answer.

Now, could the minister reply fully to the question I asked, that is, whether the Canadian wheat board could not carry out the same duties as the agency requested by the Catholic Farmers' Union?

[*Text*]

INDUSTRY

AUTOMOBILES—PLANS TO INCREASE CANADIAN SHARE IN GROWTH

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): I should like to ask the Minister of Industry when he will be revealing to the House of Commons his plan in respect of the development of the automobile industry in Canada, in view of the fact that Secretary Hodges stated in Washington that the minister revealed it to him in confidence and he could not comment upon it to the members of the press until such time as the plan was brought before the house.

Hon. C. M. Drury (Minister of Industry): I hope to make a statement before the end of the week.

Mr. Nowlan: May I ask a supplementary question. When the minister makes his statement I wonder if he will reconcile the statement that is credited to him in the press this morning—we know the press is not always entirely accurate—that there was no suggestion whatever by the United States of any hint of retaliation in his talks with Mr. Hodges; because Mr. Hodges is quoted as having said this afternoon that the United States government will retaliate against the Canadian automotive expansion program unless Canada is "clever enough" not to break any treaties? Is the minister prepared to assure the house there will be that degree of cleverness?

Mr. Drury: I think I can give assurance to the house now that, as I mentioned earlier in connection with this important question, in any plan that will be disclosed later this week Canada will not be engaging or about to engage in any violation of any of our international commitments.

HEAVY WATER PLANT—INQUIRY AS TO LOCATION

On the orders of the day:

Hon. Marcel Lambert (Edmonton West): May I direct a question to the Minister of Industry. In view of the fact that tenders closed in June, is the minister now in a position to advise the house when a decision will be reached on the possible location of the heavy water plant envisaged by such tender call?

Hon. C. M. Drury (Minister of Industry): This is a complicated and difficult question, Mr. Speaker, in a novel area. I can assure the hon. member and all other members of the house that we are devoting considerable time and energy to getting the right answers. I hope that in the not too distant future we will be able to announce a decision.

QUEBEC—REPORTED CRITICISM OVER RECRUITING OF DEPARTMENTAL OFFICERS

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I would like to direct a question to the Minister of Industry.

Does the minister intend to take into account the various complaints and criticisms voiced by the Minister of Industry of the province

of Quebec? The latter has spoken against the intensive recruiting of officials for the federal Department of Industry; according to the minister such recruiting jeopardizes the sovereignty of the provinces.

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I can assure the hon. member for Joliette-L'Assomption-Montcalm that I have every intention of co-operating very closely with all provincial colleagues.

Mr. Pigeon: Mr. Speaker, I should like to direct a supplementary question to the Minister of Justice in his capacity as Acting Prime Minister.

Has the government received official protests from the Quebec authorities to the effect that, through its Department of Industry, the federal government infringes upon a jurisdiction which rests solely with the province of Quebec?

Hon. Lionel Chevrier (Acting Prime Minister): Certainly not to my knowledge, Mr. Speaker.

[*Text*]

CANADA-U.K. AGREEMENT RESPECTING NUCLEAR POWER PLANTS

On the orders of the day:

Mr. Joseph Slogan (Springfield): Mr. Speaker, I wish to direct a question to the Minister of Industry. Would the minister comment on the agreement reached between the United Kingdom atomic energy authority and Atomic Energy of Canada Limited regarding collaboration in the development of nuclear power plants?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, a couple of days ago Atomic Energy of Canada Limited and the atomic energy authority of the United Kingdom concluded an important agreement covering the exchange of technical information, and this agreement will bring about a close working relationship between these two bodies.

Provision is made for the use by the United Kingdom of the process of heavy water moderation developed by Atomic Energy of Canada Limited, and there is some hope that the technique which has been so successfully evolved by Canadian scientists may become much more widespread in its application around the world as a consequence of this agreement.

ECONOMIC COUNCIL

INQUIRY AS TO APPOINTMENT OF ADDITIONAL MEMBERS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, I intended to ask my question of the Prime Minister, but in his absence perhaps I might address it to the President of the Privy Council. Has the government yet appointed any of the 25 members of the Economic Council of Canada, other than the chairman and two directors whose appointments were announced some time ago?

Hon. Maurice Lamontagne (President of the Privy Council): No, Mr. Speaker.

Mr. Knowles: Can the President of the Privy Council say when it is expected that this important body will become active?

Mr. Lamontagne: As soon as possible.

BUSINESS OF THE HOUSE

EXTERNAL AFFAIRS—REQUEST FOR SETTING UP OF COMMITTEE

On the orders of the day:

Mr. Andrew Brewin (Greenwood): My question is for the Secretary of State for External Affairs. In the light of the many urgent and rapidly changing international questions in which Canada is involved; in the light of the fact that the committee on external affairs has not met either during this parliament or in the last session, will the minister let the house know how soon it may expect the necessary steps will be taken to provide for the setting up of this important committee?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, this is a matter that I will draw to the attention of the leader of the house, who will consider it in the light of other obligations; and I may assure my hon. friend that subject to these we will do everything we can to meet his wishes.

AIRPORTS

CHURCHILL—TRANSFER OF OPERATION FROM R.C.A.F.

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I would like to ask the Minister of Transport if he is now in a position to reply to the question I asked him last Friday pertaining to whether the Department of Transport is planning, or has made arrangements, to take over the operation of the airfield at Fort Churchill from the R.C.A.F.

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, the matter of the various activities at Fort Churchill is under active consideration at the moment.

FINANCE

SUGGESTED INCREASE IN SUBSIDY TO GOLD MINES

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I have a question for the Minister of Mines and Technical Surveys. However, first of all, I would like to point out that as from today we have something in common: we are seated at either ends of the house.

Mr. Speaker, here is my question. Could the Minister of Mines and Technical Surveys tell the house whether his department intends to continue its subsidies to the gold mine operators, and to increase the subsidies paid to the new gold mines which might be discovered in any part of Canada?

[*Text*]

Hon. W. M. Benidickson (Minister of Mines and Technical Surveys): Mr. Speaker, the Minister of Finance, myself and several other ministers today received delegations from communities in northwestern Ontario and northwestern Quebec, and last week we received recommendations respecting this act from the Canadian metal mining association and I have been receiving too, recommendations from others. At the moment the extension of the act is being examined by officials of the departments concerned, and will soon be considered by my colleagues in the privy council. When we have decided upon policy, which I expect will be in the very near future, I will announce it.

REQUEST FOR STUDY OF REPORTED INCREASE IN BANKRUPTCIES

On the orders of the day:

[*Translation*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, my question is directed to the Minister of Finance but, in his absence, I put it to the Acting Prime Minister.

In view of the startling statistics published recently on the number of bankruptcies in Canada, and in the province of Quebec in particular, could the minister tell the house whether the government intends to carry out a detailed study of the situation or to take immediate steps in order to meet that situation?

[*Text*]

Mr. Speaker: This is a question for the order paper.

Inquiries of the Ministry

NATIONAL DEFENCE

INQUIRY AS TO PURCHASE OF ARMOURED PERSONNEL CARRIERS

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, I would like to ask the Minister of National Defence is it the intention of the government to purchase United States armoured personnel carriers rather than the Canadian produced type?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, no decision has been taken in this matter yet. When it is, it will be announced in the usual way.

Mr. Churchill: May I ask a related question of the same minister. Is it the policy of the government to provide armoured personnel carriers for the Canadian army?

Mr. Hellyer: As my hon. friend well knows from his experience in the department, this has been a deficiency for many years, and it is something to which we are giving every consideration at the moment.

Hon. D. S. Harkness (Calgary North): As a supplementary question, what is the situation now with respect to the development of the Bobcat armoured vehicle? Has development work on the first 20 vehicles been completed and, if not, when will it be?

Mr. Hellyer: This is just a little bit further along than when my hon. friend left the department, but there is still a considerable amount of proving to be done, and the question of the technical competence of the vehicle is presently under consideration.

SASKATOON—CONSIDERATION AS JET TRAINING BASE

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Could he indicate what progress has been made toward a decision in regard to the selection of Saskatoon as the jet training base in western Canada?

Hon. Paul Hellyer (Minister of National Defence): Satisfactory, Mr. Speaker.

FORT CHURCHILL—REPORTED FREEZING OF MILITARY POSTINGS

On the orders of the day:

Mr. Robert Simpson (Churchill): Mr. Speaker, I should like to ask the Minister of National Defence if he is in a position to confirm or deny the report that all military postings to and from Fort Churchill have very recently been frozen. I hasten to say I am not referring to climatic conditions.

Inquiries of the Ministry

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I am not in a position to confirm or deny it, but it would not surprise me in view of the discussions that are taking place in respect of the future of Fort Churchill from a military standpoint.

Mr. Simpson: A supplementary question. Would the minister consider making a reply with regard to the question of whether postings have been frozen?

Mr. Hellyer: Yes, Mr. Speaker.

EXTERNAL AFFAIRS

CUBA—INQUIRY AS TO OFFER OF ASSISTANCE

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Secretary of State for External Affairs. Yesterday the government of Cuba announced that recent tornadoes have wrought great damage on their country and imposed great hardship on their people. I wonder whether the government contemplates giving any assistance to Cuba, and particularly to relieving any hunger or distress from which the Cuban people may be suffering.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, in answer to my hon. friend's question I would remind him, notwithstanding his comment last week on the assistance which the Acting Prime Minister announced, it is the intention to provide, pursuant to traditional policy, assistance to countries that were the victims of unfortunate accidents and consequent destruction. I had a telephone call this morning from the head of CARE as to possible further assistance by way of supply from Canada of amounts of available dried milk. My colleague the Minister of Agriculture has indicated that this matter is under consideration. Indeed some action has already been taken. But my hon. friend may be assured that the matter is being looked into further.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, a supplementary question to the Minister of Agriculture. Have any of the Caribbean countries been in contact with the government of Canada with respect to the purchase of butter?

Hon. Harry W. Hays (Minister of Agriculture): Not that I know of, Mr. Speaker; not the purchase of butter.

INQUIRY OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, from my new seat, where I hope to get along fine with the hon. member for Greenwood (Mr. Brewin), I would like to put a question to the Minister of National Defence.

Does the minister concur in the statement of that great Liberal minister, Mr. Rene Levesque, to the effect that we should invest in education rather than in national defence and that it is unthinkable that national defence be given precedence in the preparation of the federal appropriations?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): I am of the firm opinion that we should do both, Mr. Speaker.

Mr. Speaker: The hon. member for Megantic.

Mr. Raymond Langlois (Megantic): Mr. Speaker, the question I had in mind has been asked by the hon. member for Sherbrooke (Mr. Chapdelaine).

CANADIAN BROADCASTING CORPORATION

VANCOUVER—REPORTED COMPLAINTS OF ARTISTS RESPECTING FACILITIES

On the orders of the day:

Mr. Arnold Webster (Vancouver-Kingsway): Mr. Speaker, my question is for the Secretary of State. Has the minister received a brief from the Vancouver branch of the association of Canadian television and radio artists in which they complain of inadequate and shameful facilities with regard to the operations of the C.B.C. on the Pacific coast? If so, what action is contemplated?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, the hon. gentleman sent me notice of this question. I did receive a brief. I was not able to receive the delegation, but it was received by my special assistant. I have sent the brief on to the Canadian Broadcasting Corporation for consideration. I might say that my colleague the Minister of Northern Affairs and National Resources has also been making urgent representations about this matter which is very similar, of course, to the situation in Toronto and in Montreal with respect to the scatteration of the C.B.C. all over the city. There is no doubt the situation would be better if the facilities were all in one place, and if we had unlimited funds I am sure that is what would happen.

SUPPLY

The house resumed, from Monday, October 21, consideration of the motion of Mr. Gordon for committee of supply, and the amendment thereto of Mr. Diefenbaker.

LABOUR RELATIONS—ALLEGED FAILURE TO DEAL ADEQUATELY WITH DISRUPTION OF GREAT LAKES SHIPPING

Mr. J. H. Horner (Acadia): Mr. Speaker, in rising to resume the debate which started yesterday perhaps it is in order to summarize briefly what took place. We in the official opposition were lectured by the government for even suggesting that a want of confidence motion should be moved on this very vital issue concerning the economy of Canada today. We were told that the amendment was frivolous. The Prime Minister laughed at the issue.

Certainly we in the opposition did not necessarily ask for a supply motion yesterday and today. We were told we were going to have supply motions every week until, as is customary under the rules of the house, six supply motions had been brought forward. I was somewhat shocked by the attitude taken by the government house leader, the Prime Minister and the members who spoke for that party. We were lectured with regard to wasting the time of the house for two days. They wanted to get on with government business, but at the same time they ruled that we should have a supply motion.

I have listened to a great deal of debate since the recess. We were told that one of the prime purposes in calling us back on September 30 last was to settle the great lakes dispute. The government wanted to bring in legislation, and we in the opposition aided them on numerous occasions by unanimously agreeing with the house leader that the rules be set aside and debate proceeded with. I think more rules have been set aside by unanimous consent in the past three weeks in order to proceed with government items than in any similar period of parliamentary history.

To me the biggest waste of time in the house has been this continual haranguing over the seating of members, and I am glad to see that at last this matter has been settled, though perhaps not to the liking of all hon. members. But it should have been settled before we reconvened, and we have wasted two weeks. Now it is settled I hope we can get on with government legislation expeditiously so that all the measures the government wish to bring forward can be proclaimed and their results felt across the nation.

It amazes me, Mr. Speaker, to think that yesterday 2,000 members of a Canadian union—whether we like the S.I.U. does not really matter—came to parliament but went away unseen by the Prime Minister and unrecognized, as far as I know, by the government. We see in today's Ottawa *Journal* that the Minister of Labour said "Return to Montreal, Mr. Banks, and then I will see you".

I can remember a few years ago, when western Canada was greatly concerned over possible government action, that 1,100 farmers came to Ottawa. The government of that day welcomed them, and the prime minister spoke to them and told them that he was aware of their problems. But what did we see yesterday? Perhaps I am a poor one to speak on behalf of a trade union, but yesterday we saw a complete disregard for our fellow men. We saw these S.I.U. members being badgered by individual backbenchers, but no official recognition was given them by the Prime Minister and they received no official acceptance or hearing by the government of the day. To me it was a shocking display of arrogance and indifference, of treating it as a laughing matter, as evidenced in the house last evening in particular. I do not want to go into details; I am sure all hon. members were aware of what happened on the hill yesterday.

Much has been said, Mr. Speaker, about United States interference. I for one am pleased to see that at last action is being taken with regard to the situation on the great lakes, action which I regret was not taken long before. I also regret that a voluntary agreement was not achieved. As I understand it, this public trusteeship will have jurisdiction over Canadian ships. Whenever an attempt was made to get a voluntary agreement, control was also wanted over United States interests on the great lakes. The public trusteeship will not have such control, and it is interesting to note that we have been given no assurance by the Prime Minister that the United States unions, through the President, have assured Canada that they will co-operate.

I think this matter is well detailed in today's *Gazette*. An article on the editorial page says this:

> But proclaiming the trusteeship is only the first step.

The minister himself admitted that the worst is yet to come. As a western farmer I realize the position with which western Canada is faced. We have had one of the greatest crops and one of the greatest sales of wheat ever made, but we have had no co-operation from the government and a particular segment of the country in the settlement of a dispute which has raged since July. The *Gazette* continues:

> The next step will be to deal with whatever defiance of the law may now be raised by the S.I.U. In this struggle, however, the government will have many resources of law and power: the resources, in fact, of the Canadian nation.

But then looms the still larger question. What happens if the government of Canada finds itself confronted, not simply with one strategically powerful union in Canada, but with the force of the massive labour federation of the United States: the A.F.L.-C.I.O.?

I hope when the minister speaks this afternoon he will give us an assurance that Mr. Meany and the labour unions of the United States have agreed to co-operate with the public trusteeship, because we do want shipping on the great lakes to return to normal operation for the remaining part of the season.

The Montreal *Gazette* continues in this way:

Hope now must be placed in the law—the law whether in Canada or in the United States. Mr. Justice Norris, in his report on the Canadian maritime unions, pointed out that the supreme court of the United States—last February declared the principle that even when a ship of foreign registry is in the waters of the United States its domestic jurisdiction must be respected in domestic affairs, which includes labour relations.

This was the point I tried to make earlier today. In his many telephone conversations with the President, has the Prime Minister been given the assurance that the law will be enforced? Apparently not. Some hon. members yesterday asked the Prime Minister about telephone conversations he had had with the President. What did the President say?

An hon. Member: "Sorry, wrong number".

Mr. Horner (Acadia): We had to interject two or three times to ask this, and the Prime Minister referred to it as an asinine interjection, as a stupid interruption; and he said, in a sense "You western members quit making these statements and don't bother me. I was talking to the President about something other than shipping on the great lakes", or that is what we were led to believe.

This is certainly not the stand western Canada would like to see taken by the government on this question. We are worried. We do not want the worst which is yet to come, as the Minister of Labour said. We want this matter settled by agreement among the parties—the shipping companies, the unions, the members and the men who do the work—so that exports of grain can move forward freely along the seaway.

I have heard many hon. members condemn Hal Banks, the leader of the S.I.U., and certainly I hold no love for him. Few hon. members have ever stood up and proclaimed him a great union leader. Even the New Democratic party members say he should be thrown out of Canada. I read from time to time of certain alien citizens who are deported from the United States. Why cannot we, on the evidence of the Norris report, now deport Hal Banks? This evidence has been available to the present government since last July and the Minister of Justice has been prodded several times to take action in this regard. On page 296 of the Norris report this statement appears:

Banks obtained his absolute control in his union through the misuse of union funds, the hiring halls, the D.N.S. and R.O.C. cards, and the welfare plan. This has been fully established.

This evidence is fully set out in the Norris report which was tabled in this house last July. Why has the Minister of Justice not taken some action with regard to this man who is doing so much to corrupt relations and disrupt shipping on the great lakes? The hon. member for Bonavista-Twillingate is perhaps the only hon. member who has a particular affection for him. Maybe he should have, and maybe he should not have, but surely he could read the evidence and if the evidence is clear, as Mr. Justice Norris has suggested it is, he should be prepared to bring in the necessary legislation to deport him. Similar action is taken in countries other than Canada. I think it is time we were the power of the land, as is suggested in today's *Gazette*. This government is the power of the land and should take action against any undesirable alien as is the case in this instance.

With regard to the shipping situation on the great lakes, we have been given no assurance that the lawlessness which is now going on will cease. From time to time I have tried to get an assurance from the government that they expect the co-operation of the Canadian unions, of the United States government and of the labour unions of the United States in enforcing the law. But the government cannot even give us an assurance that they will have the co-operation of the unions in Canada in carrying out this public trusteeship measure. The Minister of Labour refuses to see one of the trade union heads. This is no way to go about getting the co-operation of the unions in order that the trusteeship can operate with the good will of all concerned.

From time to time we have heard the Minister of Trade and Commerce defend his department and his own actions with regard to wheat sales. This whole discussion centres on wheat sales to a great extent, because more than half the freight shipped on the great lakes or through the St. Lawrence seaway is western grain. This is why we who come from western Canada are so concerned with shipping on the lakes. From time to time the minister has said that shipments will continue to move out, that there is no real problem.

I wish to remind the house that we have seen disclosures in United States newspapers of Canadian wheat board transactions. We

have asked for information and been unable to get it, but all we have to do is to read the United States newspapers. The Minister of Trade and Commerce was asked whether he would tell the United States government that these disclosures about Canadian wheat board contracts were not appreciated by the Canadian government, and that they could possibly harm wheat board sales on behalf of the farmers of western Canada. The minister told us he did not think this was necessary; the message would be got across, but he did not want to take any formal note of it because he was afraid to hurt their feelings down there. He did not want to give the impression that the Canadian and United States governments were at odds about anything, though the evidence is abundant that they are.

We are concerned about the possible effect of this shipping situation on wheat shipments to Russia. I read in a United States newspaper that there is a clause in the contract with Russia which permits the Russians to stop taking Canadian wheat and shift their order to the United States if the commitments are not met, if there is a strike or a stoppage of movement on the great lakes. This explains the concern I feel about this problem. We are committed to selling this wheat. Now the fight is to maintain deliveries. We are in danger of losing this order because of delayed action, slow action and perhaps even meaningless action, if the co-operation of the various unions cannot be maintained.

We hear requests from time to time that the quotas on western farms should be raised. It is evident they are far below last year's levels. As a result of the abundant wheat crop many farmers have grain in open bins in the fields. They want to get it into the elevators, into shelter, before winter sets in. They want the quotas opened up, but with the continual stumbling and fumbling which has gone on with regard to the shipping situation how can they look forward with optimism toward a solution of their storage problems? The shipping difficulties on the lakes are not yet settled and they may not be settled, despite this trusteeship arrangement. We read in the *Financial Post* that President Kennedy is greatly concerned about an election next year. He does not want to offend the unions in the United States.

There is another thought which enters my mind in this connection. President Kennedy is not too popular in the midwestern states. He is not too popular in the grain belt there. Perhaps if, by hook or by crook, in co-operation with Mr. Meany and the unions in the United States he could increase United States wheat sales to Russia it would strengthen his hand in the election next year in those states where he is not too popular. These are the fears which arise in my mind as a representative from western Canada.

We were told that President Kennedy and the Prime Minister were as close as peas in a pod. We were told they could get along and solve such problems as this. But we cannot even be given an assurance by the acting prime minister today that the President has said the law of the land will be enforced. During the summer a Canadian ship tied up in the port of Chicago. It could not be loaded. A court injunction was obtained, and the fine for refusing to load was supposed to be $3,000 a day. Still the ship was not loaded, and eventually it had to leave the port and move into Canadian waters. This is what we fear for the future. We want some guarantee from this government that our shipping will not find itself once again faced with such circumstances.

Some time ago the Minister of Finance warned that if we were not extremely careful we would lose control of our own country. Well, there has not been much evidence in the last two months that we really have control over our own affairs or that we are masters of our own house. If this trend continues we will certainly be in danger of losing our sovereignty. We all hope that after the trusteeship bill has been proclaimed some sort of co-operation can be developed between this country and the United States. Only a few months ago the former government was ostracized as being anti-American. We were told that a Liberal government would get the co-operation of the United States.

We want to see some evidence that hon. gentlemen opposite are now getting this co-operation. Up to the present, in its dealings with important questions involving shipping, labour, and the wheat trade, there has been no evidence of this co-operation, and western Canada stands to suffer most from the lawlessness which has been permitted to continue on the great lakes.

We in western Canada have been laughed at in Ottawa whenever we have mentioned wheat. There have been times when we have mentioned it too often. We have been called dirty dogs by members of the present government. However, we still believe it is our duty to rise at every opportunity and point out the problems as they appear to us, in the hope that the government will take the advice of the opposition and introduce certain measures to alleviate those problems.

In so far as this problem is concerned, we have been given a great deal of hope because we note, in looking over the record of the

present government, that they introduced a series of ideas on the budget, but the opposition and others outside the house convinced the government that many of these measures should not be implemented. We convinced the government they would not work. Many of these provisions have been dropped, and some of the taxes have been reduced. This gives the opposition some hope that we can successfully urge the government to take action to proclaim this trusteeship and get assurance from the United States government that they will co-operate. We should like the United States government to get the assurance of the A.F.L.-C.I.O. that they, too, will co-operate. I would strongly suggest that when the trusteeship is set up, the trustees take steps to ensure that great lakes personnel will be given the freedom to join whatever union they desire. The trustees should make sure that the unions operate free and democratic hiring halls.

I think it was evident during the longshoremen strike that there should be some assurance given that free, secret elections will be held in these unions. The leaders of the longshoremen's union said, no, we won't accept the settlement; but when a secret vote was taken the result was something like four to one in favour of accepting the terms of the shipping companies, and the longshoremen went back to work. I urge the public trustees to make sure they maintain secret elections in all cases in which union officials and union matters are concerned. I feel that there is plenty of evidence in the Norris report indicating the need for a private audit of union pension funds and other union funds. Certainly, I should like to see the public trustees establish principles in the years ahead to ensure that these matters will be looked after properly and accurately for the benefit of union members.

I think perhaps, Mr. Speaker, I have given you and the government some of my views concerning the operation of shipping on the St. Lawrence seaway. I hope, along with all Canadians, that the act will be proclaimed and that shipping will return to normal as soon as possible. I hope, too, that we will have the co-operation of the United States government and the United States unions in solving this grave problem affecting all of Canada, and particularly western Canada.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, the subject that has been raised in this supply amendment relates to a problem which has accumulated over a long period of time. Thus, it is the accumulated product developed over quite a number of years that is now being dealt with by the Department of Labour. It is my view that because of its history it ought to be regarded as a shared burden, a shared responsibility, because if one examines the background of this problem, he will find that there are quite a number of groups who ought to accept their share of responsibility for the kind of difficulty that reached its most colourful manifestation on parliament hill yesterday.

I am thankful, Mr. Speaker, for the support that has been accorded the policy of the government by the hon. member for Burnaby-Coquitlam (Mr. Douglas), the hon. member for Medicine Hat (Mr. Olson) and the hon. member for Villeneuve (Mr. Caouette). I appreciate that they have realized the difficulties of this problem. It is not as easy as has been implied by members of the official opposition to deal with it in an effective manner.

In introducing the legislation preparatory to setting up the trusteeship, I mentioned in the house that the situation would likely get worse before it got better. This statement has been borne out by the events of yesterday and by the events of last Friday. On Friday last, the rights committee of the seafarers international union issued a directive asking all members of the seafarers union to leave their ships to stage a march in demonstration on parliament hill. These instructions suggested that this demonstration was to be a peaceful and responsible representation to members of parliament. Surely no members of parliament have any objection to citizens of this country coming to parliament hill and giving some expression of their views to members of parliament. Surely also, Mr. Speaker, such demonstrations if they are held must be lawful, and the demonstration yesterday was in clear violation of the law of Canada.

The hon. gentleman who just took his seat berated me for not having rushed out to greet the leaders of the seafarers international union. I would remind him that the leader of that union, and his officers, and the seamen's rights committee had, in a concerted and determined effort, violated the law of Canada and conducted an illegal strike which made it possible for these men to come to Ottawa yesterday.

Mr. Woolliams: Would the minister explain what he means by "illegal"? I do not want to interrupt.

Mr. MacEachen: It was a work stoppage clearly in violation of the Canadian labour laws. I think all hon. members ought to bear that in mind in assessing this particular matter.

The president of the seafarers international union did not ask the Minister of Labour, nor to my knowledge any member of the government, for an interview or to be heard in any

particular way. No such request was made yesterday, even though many officers of the union were here. I did, as did other members of parliament, have an opportunity to meet with a large number of the seamen who were here as part of the demonstration and who were electors of the constituency of Inverness-Richmond. I was glad to see them and to spend almost two hours with them in a discussion of this problem. I want to assure my hon. friends in the house that in discharging my responsibilities its impact was made all the more realistic by meeting my own electors and explaining to them the reasons for the trusteeship that had been established by the parliament of Canada.

I found among these men, and among others, misunderstanding about the purpose of the trusteeship and about the possible effect it might have on the union. I assured these men, as I am sure other hon. members did with the seamen they met, that the trusteeship legislation is not intended to destroy the jobs of the seamen. It is intended to protect their jobs.

The legislation is not intended to destroy the seafarers international union as a properly conducted organization. The purpose of the legislation is to strengthen the union by making it more democratic and more effective. The purpose of the legislation is not to carve up the S.I.U. and divide it up among any other unions. The purpose is to make it a proper instrument, serving the union members.

I think many members of the delegation came off their ships through an understandable loyalty to their union rather than through a deep devotion to the leadership of the seafarers international union, because they wanted assurances that their union would not be wrecked. The purpose of the legislation is certainly not in that direction.

In analysing the demonstration yesterday it is apparent that the planning for it was elaborate and conducted in secret. Surely it was obvious, from the directives that had been issued by the committee, that the planning went far beyond the capacity of rank and file members of a trade union. The organization of the demonstration involved the expenditure of funds that required the active and direct participation of the officers, and obviously involved the financial resources of the organization.

It was apparent to all on parliament hill that Mr. Banks had sole and complete authority over what was claimed not to be a strike but a demonstration. It is also significant the men were ordered by him to the hiring halls after the demonstration, but not to the vessels they had left.

Further, it was apparent many of the men were not aware of the facts in the Norris report. They were unaware of the origin of the report. One seaman suggested to me that the report had been written by the shipping companies, and he sincerely felt it was a document prepared and distributed by the companies in an effort to destroy his union.

There were no incidents. It was a careful, well conducted demonstration, and any of us who know anything about democratic unions must have been surprised at the unanimity and the docility of those union members who appeared on parliament hill yesterday. They were obviously under the direction and leadership of the president and his committee, and were behaving under the specific instructions of this group.

I am also sure that the demonstration revealed there are many men in that union who are not fully behind the present leadership. There were members of that union who came here, not with the enthusiasm that possibly Mr. Banks would like to believe, and this is borne out by the fact that there were many seamen who did not join the demonstration at all. We have been told that the majority of S.I.U. members on the west coast refused to leave their ships, and that there were seamen on ships in various other ports, in central and eastern Canada, who voted against the proposal to go to Ottawa and who later remained on their ships.

I was told this morning that some of the seamen who were in Ottawa yesterday have today drifted back to their jobs. Not all of them have done so, but I feel sure that the great majority of these seamen would prefer to be back at their jobs today. It will indeed be a very sad outcome if these men are ordered to remain away from their work and if further trouble arises, as it is bound to arise, from efforts on the part of shipping companies to man the vessels with other crews. Trouble would come from the kind of conflict arising from such a situation.

It seems to me all of us profoundly wish that these seamen will go back to their work, will obey the law of Canada, and will resume the operations which they were ordered to suspend on Friday last.

On Sunday I sent a telegram to the president of the seafarers international union reminding him that the activity was illegal, and on behalf of the government asking him and his executive officers to obey the law of Canada and to direct all seamen to resume work. On Friday I had made a statement indicating the illegality of this action. On Saturday efforts were made by the Department of Labour to indicate in the strongest and clearest possible terms that this action

was illegal, and that the men ought to go back to work. On Sunday this was followed up by the telegram to which I have referred, and of course on Monday we had the demonstration.

Today I had an urgent phone call from Mr. Banks. I came out of the cabinet meeting to take this call and Mr. Banks explained why, from his point of view, it was unsuitable for him either to reply to my telegram or for him to meet me yesterday. He then asked to have a meeting with me and said he was prepared to leave his home at once and drive to Ottawa. He wanted such a meeting because he assured me that if I, at a meeting of that kind, asked him or ordered him to send the men back to work, then he at a subsequent meeting with his seamen would be in a much stronger position to influence them in getting them back to work.

I told Mr. Banks I would consider his proposal and call him back. I did so and told him I would see him, provided in the meantime he went before his men and asked them to return to work and to obey the law. I asked him for his assurance that he would make that recommendation to the men, and he gave me that assurance and said he would support it fully. If that happens, if the men are returned to work and if the law is obeyed, I will be glad to see Mr. Banks. If I receive an assurance from Mr. Banks that the men will be asked to obey the law, I will see him. But I am not prepared to meet with Mr. Banks or the officers of the seafarers international union of Canada while the law of Canada is being disobeyed, and while I have received no assurances that every effort has been made by them to see that the law of Canada is complied with.

Mr. Peters: Mr. Speaker, could I ask the minister a question. I am sure he can say what section of the Industrial Relations and Disputes Investigation Act or the Canada Shipping Act he thinks is in conflict with the seamen coming to Ottawa yesterday under what they claim is a contract condition. Second, what is the difference between this situation and the one where the other seamen asked the shipping companies to allow them to have a day off in order to come to Ottawa yesterday, although not with exactly the same purpose? Why is one illegal, and under what section of the act is it considered to be illegal?

Mr. MacEachen: I am sorry, Mr. Speaker, but I have not the actual texts before me to enable me to give my hon. friend the precise sections. But there is a provision in the collective agreements between the union and the companies that every consideration will be given to a seaman who makes a request to go ashore for medical attention, legal counsel or the necessities of life. Consideration is given to such a request. We do not believe this provision of the collective agreements was complied with in the case of seamen who left their ships in violation of this clause and without the permission of the officers or masters of the vessels. In the case of one particular union, I understand that authority was given. In the case of another union it was not given, and this conduct is therefore in violation of the agreement.

Mr. Peters: Would not this be a matter for grievance procedure between the two parties concerned in the contract, rather than the government declaring it to be an illegal act, which action would, in my opinion, necessitate a definition as to the contravention of the Industrial Relations and Disputes Investigation Act from the point of view of the federal government. In those circumstances, it would not be a contract dispute between a seaman or a group of seamen and their shipping company.

Mr. MacEachen: This is the point, that any such work stoppage as I have described is a violation of the Industrial Relations and Disputes Investigation Act and is consequently a strike that is unlawful. There is no doubt in the minds of the experienced officers of the Department of Labour that this clearly constitutes an illegal strike. This is the situation.

It seems to me that two weeks ago I was being pressed in this house to end a strike that was fully legal and I withstood pressure in order that the rights of the longshoremen would be fully exercised under the law of Canada. If these men in this situation were out lawfully and in exercise of free collective bargaining, I would take exactly the same attitude as I took with the longshoremen. But in this case I am bound to exercise my responsibility and say that this work stoppage is illegal under the law of Canada, and therefore I am obliged to ask the officers and the seamen to obey the law of Canada. That is the point.

Mr. Peters: Mr. Speaker, could I ask the minister a further question?

Some hon. Members: Oh, oh.

Mr. Chevrier: Let him make his speech. You will have an opportunity.

Mr. Peters: In view of what the minister has stated, is he now prepared to lay charges against all those who are guilty of what appears to be an offence? I think this course of action has to be pursued, or we are foolish

to raise this type of problem. This is what has happened time after time: you say those things but do not do anything.

Mr. MacEachen: Mr. Speaker, I appreciate the help I am receiving from my hon. friend, but I intended to deal with this aspect of the matter. I am not taking any high handed attitude toward the S.I.U. If the officers of the S.I.U., and Mr. Banks, under the conditions I have described wish to come before the Minister of Labour and discuss the trusteeship legislation, I will attempt to explain to them, as I have explained to seamen, that it will be the desire of the government, as it has been up to this time, to get fair minded men who will be free under the law, without direction from me, to discharge their powers under the act.

I would expect the S.I.U. to be treated fairly and justly under this public trusteeship. It is surely not the intention of parliament that a trusteeship should be set up to inflict injustice upon any individual in Canada, let alone 15,000 members of the S.I.U. That is not the intention. But the law is there and it will be administered by the trustees who will be carrying this heavy responsibility given to them by the parliament of Canada.

Mr. Fisher: Where is Banks going to be?

Mr. MacEachen: As I have stated, the law is there; it has been passed by the parliament of Canada. The trustees will be empowered to exercise that law within the provisions of the act, and it is not my responsibility to prejudge the action of the trustees and to say that any particular man in any particular situation will be dealt with in any way contrary to the provisions declared in the act by the parliament of Canada. I think that is a perfectly proper attitude to take, as minister. No other attitude is consistent with the action taken by the parliament of Canada. This is as I see the situation. I hope I have not been misunderstood with regard to any of the points I have made.

Much has been said about the delays and confusion with respect to the way in which this matter has been dealt with. The Leader of the Opposition (Mr. Diefenbaker) in one of his rare flashes of humour described it as a policy of chuckles and postponements. All I can tell him is that in his day we had lots of postponements but very few chuckles. I have no apology to make as to the way we have searched to provide a private trusteeship. I have no apology for that at all, because we did think on two occasions that we were close to agreement. If agreement had been possible, some of the difficulties that we may face in the future might not have arisen. But this was not possible. I assure you, Mr. Speaker, that the most strenuous and patient efforts were made to reach that desirable goal of a private trusteeship, but they failed. There was no other course, then, but to proceed with the legislation, and now to proceed with the selection of the trustees.

Until Sunday there was some last possible hope for the establishment of a private trusteeship and people were negotiating in good faith. Surely while they were negotiating in good faith for a private trusteeship it was not my responsibility to be out looking for public trustees. Surely that would be the wrong thing to do. Now that the private trusteeship has collapsed and there is no possibility of its being agreed upon, the government is searching for public trustees.

I want to assure you, Mr. Speaker, that we are taking into account the views that have been expressed by members of the House of Commons as to the kind of man required. I am trying to live up to the intimations I gave in the house as to the kind of man that would be asked to serve. I am attempting to carry out those commitments. Just as soon as we have secured the willingness of these men to serve, and they are finally appointed, their names will be announced in the House of Commons. I hope these trustees will command the respect and the confidence of the Canadian people and the respect and confidence of the seamen of Canada whose unions are to be administered by them. Then the act will be proclaimed and the trustees will go about their work. Let me say in conclusion that I hope the trusteeship will secure the support and confidence of the members of the House of Commons and the people of Canada, because it may be that the things that will face the trustees will be very difficult indeed.

Mr. Starr: Mr. Speaker, I wonder whether the Minister of Labour would entertain two questions from me in order to clarify my thinking on these two matters. The first one has to do with the breakdown in the search for the private trusteeship, which was instigated again after the bill was passed, and went on over the week end. The reason given for the breakdown in the search for a private trusteeship was the illegal walkout of the S.I.U. men from their ships. It hardly seems possible that this could be so. My own opinion is that it would have probably precipitated the search for the public trusteeship in order to put it into effect. I do not know what the real reasons are, but if the minister would care to answer I should like to hear from him whether this was the real reason or whether there were other reasons about which we may be hearing later.

Mr. MacEachen: I stated on Sunday, I believe, that it was my opinion that in the absence of this illegal act by the S.I.U. there might have been a satisfactory private settlement. I held the view that in the absence of this development on Thursday and Friday there was a good chance, and I thought that the gap was closing. But the matter was completely disturbed by this illegal action.

Mr. Starr: This is my second question. The minister mentioned the chuckles and delays and said that progress was being made at as quick a pace as possible. In view of the fact that he has said that the walkout is an illegal one under the act, and I agree with him on that score, does he not think there is delay on his part or on the part of the government in not setting a deadline for the walkout to end? How long is the government willing to allow this illegal walkout to go on?

Mr. MacEachen: All I can say in reply to that question is that this is a matter of judgment. It is my expectation and my firm hope that these men will go back to work voluntarily. If they fail to do so the government of Canada will seek every possible legal method to have the law of Canada complied with. That is all we can do.

Mr. Starr: I have one further question on this point. How long a period does the government think is reasonable for this illegal walkout to continue before it undermines the economy of the country?

Mr. MacEachen: I would remind my hon. friend that two weeks ago he and other members of the opposition were up on their feet demanding immediate action with regard to a strike that at that time was only four hours old. We took a different course and our course was proven to be correct in those circumstances.

Mr. Starr: Mr. Speaker, I do not think the Minister of Labour meant what he implied when he said that I demanded precipitate action, and I am sure he would not want to leave that impression without correction.

Mr. Crouse: Mr. Speaker, I have listened attentively to the Minister of Labour while he spoke about the present situation with regard to the trusteeship. In today's Ottawa *Journal* there is a statement that the Prime Minister has the three trustees he wants and, provided the Minister of Labour signs them up, their names will be announced in the house this afternoon or tomorrow. Would the minister not agree that the delay in announcing the members of the trusteeship board will precipitate a situation whereby the illegal strike will continue and these men will not go back to work until they see that the government means business? Would the minister not agree that this could be a factor in the present situation?

Mr. MacEachen: Mr. Speaker, this is really asking for an opinion. At this moment I think that the two matters can be separated and I would hope it would be possible to separate them. But the government will not delay at all in carrying out its responsibilities with respect to the announcement of the trustees.

Mr. Woolliams: May I ask the minister a question? Has the trusteeship act been legally proclaimed? Is it now the law of Canada?

Mr. MacEachen: No, Mr. Speaker, it is not proclaimed.

Mr. Bell: Has there been any reluctance on the part of individuals to accept appointment?

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I do not want anything I say to lead the government or the minister to think that we have changed our views in support of the whole idea of the trusteeship. However, his speech has certainly disturbed me, and some of my colleagues I think, with regard to the analysis he made of the situation. Apparently he has given us a view of what he thinks the mood of the men may be, and their relationships with Hal Banks.

We would like to put the dispute into some kind of time text. It seems to me the reason the situation is crucial at the present time is that the shipping season on the lakes has at the most eight weeks to go. If we have a cold, late November that period may be reduced by as much as two weeks, and we will then have effectively only six weeks more shipping.

We have a very large problem in getting grain to the eastern ocean ports in particular, in order to fill the shipments to Russia which, as everyone agrees, are vital to our economy. With this kind of time sequence of six to eight weeks the time factor is most crucial from the point of view of getting these ships back to work.

All of us in the house, even those who voted against the trusteeship, like the hon. member for Kootenay West (Mr. Herridge), have joined in insisting that Hal Banks is a gangster, a crook and a thug. But here we are with the situation where the man led a group of his followers to parliament hill yesterday. It was a well organized demonstration and, with one exception, the members of the S.I.U. to whom I talked expressed deep loyalty to Banks. The man is able to bring this many men here to parliament hill, keep them under good discipline and send them back to where they came from.

This suggests to me and to my colleagues that it is going to take some really sharp and drastic action in order to break the hold that Banks has over these men. I refuse to believe that it is going to be easy for the trusteeship, once it is proclaimed, to step right in and somehow take over. This is why we are concerned. We will all join in the cries about Banks being a thug, a gangster and a criminal, but we have had no legal proceedings or prosecutions against him, either under his immigrant status or as a result of any of the incidents in which he has been involved over such a period of time. It seems almost incomprehensible that the Minister of Labour will now put the onus on the trustees to straighten out what is a crucial time-consuming situation. That is the only interpretation we can take of his speech, that the onus is now going to lie on the trusteeship working under the authority of the act. I insist that this is not good enough. I think the minister should recognize from his own experience of labour unions that if Banks is not separated from his capacity to control the membership of the S.I.U. we will not get very far.

I should like to report to the house on a conversation I had with one member of the S.I.U. who came from Port Arthur which I think is as significant as anything the minister reported. This man said: "So Banks is a gangster. So nobody has ever done anything about it. I am worried about my job. There is not much of the season left. Do you think that I or any of my fellows are going to put ourselves out in left field with people like Banks in this kind of situation?" It seems to me, Mr. Speaker, that this underlines the criticism one might make both of the minister and the government at this time. In this sense we have shifted toward accepting to a degree the kind of criticism which has been expressed in the amendment put forward by the Leader of the Opposition (Mr. Diefenbaker), that we have today not been given a really clear picture of how the government intend to move. I insist that the crucial question is: How is the government going to separate Banks and McLaughlin and all these other senior people in the S.I.U. from the capacity or the ability to interfere, and to keep their grip on these men? The press has given one indication of how it can be done; and unless the government has a plan prepared, I think that this situation is likely to lead to some kind of warfare along the docks. This is a suggestion that the C.M.U. is rounding up crews in Montreal and other cities to take over the ships and get the ships moving. If that is done without some attempt to sequester Banks and his immediate lieutenants from connection with the men, we will have real warfare on the docks, quite apart from any action taken on the United States side.

I do not want to go on and dot the "i's" of something which has been dotted enough already, but to me the minister's response was most unsatisfactory, particularly to the question put by the hon. member for Timiskaming (Mr. Peters). Is there no possibility, under any of these statutes of which the minister is in charge, of taking some action against Banks and his lieutenants? Perhaps I am wrong in my impression that the minister will leave it up to the trusteeship, but I suggest that that is going a little too far. I was approached yesterday by a couple of people who asked me what suggestions I would make, and I suggested that one of the things which it seems to me the government must be prepared to do is to have troops, in preference to police, ready to take over the dock facilities during this crucial period of time. That may be necessary. These are the kinds of emergency steps which should be taken, not the dragooning of S.I.U. members, to bring about what we all want, namely, the removal of Banks and his leadership from a situation of control, so that we can get the flow of trade moving again and the trusteeship on its way to doing something with the organization.

If I have misinterpreted the minister and he has an opportunity to clarify the situation, then fine; but I think other hon. members in the house also share my concern at the speech he has made and the interpretation we have been led to put upon it.

Mr. MacEachen: Mr. Speaker, if I may interpret those remarks, as a question I will be glad to tell my hon. friend that the point I was making about the trusteeship was that parliament has given authority to a trusteeship to do certain things. Parliament gave the trusteeship this particular responsibility, and it will be their obligation to carry out the responsibilities which have been assigned to them by parliament. That is, I think, the impression I wanted to give. If it led to the belief that with respect to other developments the government will not take any action at all, then that is an unfortunate misinterpretation which I may inadvertently have given. With regard to the present circumstances, the government has under active consideration steps which might be taken. It has in mind severals steps which might be taken to deal with this situation.

Mr. Diefenbaker: It seems to have had that for six weeks.

[*Translation*]

Hon. Leon Balcer (Three Rivers): Mr. Speaker, the Prime Minister (Mr. Pearson) gave us to understand yesterday that the house would be informed today of the government's intentions with respect to this problem of national interest.

This afternoon, the minister concerned stated that he would make a review of the situation and indicate the intentions of the government.

The only thing we learned is that later on a trusteeship will be set up and that trustees will be appointed. He gave us no indication as to whether those trustees have been chosen, whether the negotiations will soon be concluded successfully or whether the trustees will be appointed next week, in ten days or in a month.

He told us also that the strike now going on in Montreal and which threatens to paralyse shipping on the St. Lawrence and the great lakes was absolutely illegal and that union officials had exerted absolutely illegal pressures on union members.

He told us also about the spectacle given for our benefit by union members who, illegally led by their officers, came to Ottawa to demonstrate on the steps of the national parliament itself.

So there we have a cabinet minister who comes and tells us that everything that was done there was absolutely illegal. Yet, when we ask him what he intends to do, all he can say is: tomorrow we might consider the matter.

To make a long story short, this whole speech made by the Minister of Labour (Mr. MacEachen) was only meant to tell us that the situation was just as confused as it was yesterday, the day before, a week ago, two months ago, in short, as it was in August. In short, the situation is only getting worse.

The Minister of Labour told us that he had an announcement to make but he only told us that he was ready to meet Mr. Banks. He even boasted of having talked to him over the telephone. It is surprising how members of the cabinet find it difficult to make telephone calls.

The minister declared that Mr. Banks was guilty of illegal actions. In a word, the only news he could give us today was about the pleasant talk he had with that individual.

In short, this shows how much the situation is confused, and how the Leader of the Opposition (Mr. Diefenbaker) had every reason to assert yesterday that the government did not wish to assume its responsibilities, that it was afraid and according to the *Globe and Mail*, that it had been waiting during the past three months to find an easy way out so that it would not lose face. But unfortunately the easy solution is not in view and the situation, instead of improving, is getting worse.

Mr. Speaker, the minister has told us that he is worried. That, in itself, shows a certain progress, even though he was all smiles while making his speech, probably because he wanted once more to have the house and the public believe that there is no need to worry about that problem.

Besides, the minister has told us that it is a trouble which has been existing for a long time and that that type of difficulty is not new, since the previous administrations had to face similar troubles on the great lakes and the St. Lawrence.

Well, Mr. Speaker, I wish to tell the minister that under the previous government, if we had troubles on the great lakes and the St. Lawrence, we took our responsibilities, and the proof is that it is the predecessor of the present minister who appointed Judge Norris to make a complete investigation into the whole matter of shipping in the great lakes and the St. Lawrence.

If this government postponed the application of the recommendations of the Norris report, I do not think that the minister can throw the blame on the former government for that. Mr. Justice Norris, who is an experienced jurist, did not hesitate to recommend positive action. I do not say that they were easy measures to apply but they were positive, and the government should have assumed its responsibilities at that time.

Today, we hear members from western Canada express their deep concern about our wheat trade with Russia, and about the danger of losing a great part of this famous wheat contract with Russia and other countries behind the iron curtain.

Mr. Speaker, I have just met people living along the St. Lawrence; I come from Three Rivers. And let me tell you that people are greatly worried in that region and have been for a long time. As a matter of fact, the most deplorable acts of violence happened in Three Rivers. They are what prompted the previous government to take action.

Today, the population of Three Rivers, as well as of all the other communities along the St. Lawrence river and the great lakes, have a right to call on the government to assume its responsibilities, act immediately and stop saying that something else will be done tomorrow and the day after.

Let us not forget, Mr. Speaker, that the St. Lawrence river is the main artery of the economic life of our country. The most beautiful pages of our history were written

on the shores of the St. Lawrence river. That artery is absolutely necessary for the export trade of a country like Canada.

It is really a tragedy that shipping itself on this beautiful waterway should be endangered not only by Mr. Banks and his gang, but also by the delays and indecision of the government.

Let us not forget that Canadian taxpayers have invested millions of dollars in the St. Lawrence river, that the seaway cost about $400 million and that the modernization of the waterway cost approximately $100 million.

It is time the government assumed its responsibilities. The government must not do what it did in the past when it was in power after the war. We then had sea-going merchant ships on which 10,000 Canadian seamen earned a living. Our merchant marine has completely disappeared because the government of the day refused to assume its responsibilities. Even at that time, labour unions were blamed, but nothing was done to put a stop to their wrongdoings. The same thing is happening today. As for us, we proceeded to modernize shipping on the great lakes, and that asset should be preserved for the people of Canada and not wasted simply because the government is afraid of taking its responsibilities with regard to labour unions, which it is first to condemn, but tolerates indirectly.

Today we see irresolution and delay. Mr. Banks was allowed to enter Canada, and now they claim they want to deport him. Sometimes they want to get rid of him, sometimes they wish to keep him there. At any rate, they confirmed his right to stay here as a landed immigrant. And now, they want to take proceedings against him. The Minister of Justice (Mr. Chevrier) did tell us that he had enlisted the services of two great criminalists in this country in order to launch criminal proceedings against Banks; that happened three months ago and every week since then we have been asking the Minister of Justice to report upon the matter and we always get the same kind of answer from the Minister of Labour (Mr. MacEachen): "We shall see tomorrow; tomorrow we shall be in a position to make a statement". The government must come to a decision, and above all they have to decide by themselves what they intend to do.

Indeed, since August, they have been seeking an easy solution. They have turned to the Americans, they have asked the Americans to find an easy solution for them.

One will recall that during the last electoral campaign and since then, these gentlemen have claimed that they were the only ones able to engage in friendly talks with the U.S. government; they have described how great were the relations of Canada with the United States under the Pearson leadership.

I am not surprised that they rely on the American government for an easy answer. Once more, they are making fools of themselves in the eyes of the Americans, as it happened at least four or five times since this government came to power.

Today, the situation is worse than ever. Canadians complain that their unions are controlled by American unions. That should not be. And what is worse, we have a situation where the union boss, Mr. Meany, together with Mr. Wirtz, a great friend of theirs, treats the sovereign government of this country as if it were a child.

Not only does Mr. Wirtz not co-operate, but he indulges in uncalled for remarks which, I am quite sure, the former government would never have allowed.

The situation is ticklish, it is true; but, after all, it has lasted all of three months. We know that the present government was dead-set against the trusteeship; it has said so on numerous occasions. It has repeatedly postponed the bringing in of this measure in the house, and sought every conceivable means to find a solution which might dispense with such a piece of legislation. What has it achieved in three months?

Do you think that this delay has in any way impressed Mr. Banks? The answer was flaunted in our faces, yesterday, as Mr. Banks paraded with a regal gait on the front steps of parliament. It could be that the trusteeship legislation seemed too drastic to this parliament, and that might be one explanation for the delay.

It would have been possible to find an alternative solution, since they were taking so much time to introduce this trusteeship legislation. If they were afraid of trusteeship, why not come up with something else?

Several of my fellow members of the opposition suggested a secret vote. That suggestion could have proved very useful in this instance. Moreover, a secret vote should be mandatory in all fields under federal jurisdiction. We have seen Judge Lippe insist upon it in the case of the longshoremen's strike. One could not go as far as to say that, if the strike was settled, it was because the vote was secret, but it should be pointed out that the longshoremen did not complain. I honestly believe that if secret ballots were used each time union members are called upon to vote, those union members would be the first to approve such an action.

The government could have required the regular auditing of the seamen's union books

by a chartered accountant. It could have been done and things could have been straightened out.

If those two solutions had been applied immediately, without even waiting for that trusteeship legislation which the government apprehended, it would have been possible to know if the seamen really wanted Mr. Banks as their leader or if they wanted to prevent the acts of intimidation and mismanagement of which he is accused. It would have been possible to keep him in check if a real auditing of the union's books had been made by a chartered accountant.

The government will be obliged to make a hard decision, it will have to assume its own responsibilities if it wants to impose the trusteeship. But it must be convinced that there is no alternative.

The government must stop relying exclusively on the goodwill of Washington. As stated by the Leader of the Opposition, after all the humiliations and rebuffs the government has suffered in Washington, it should begin to understand that if it wants the St. Lawrence river and the great lakes to be an asset for Canada, and not a liability, it must change its philosophy, especially with regard to the merchant navy.

In my opinion, the government should call a meeting of the labour unions, ship owners, exporters and government representatives to set up a master plan for the long term reorganization of the merchant marine as it was done in France, Switzerland and England. Let us not forget that Canada has today a trade deficit of over $150 million because it does not have a merchant marine.

The setting up of a merchant navy would give employment to about 50,000 Canadians.

The present situation shows how important it is for the government to stop all this beating around the bush and to restore law and order once and for all, within the St. Lawrence maritime unions and in our seaports.

The time has come for the government to prove that it is really willing to act and that it is anxious to restore confidence among Canadians who want law and justice to prevail always.

I do not think that the speech made this afternoon by the Minister of Labour impressed many Canadians in that respect.

Mr. Speaker, the seamen are on the doorstep of parliament and the longshoremen threaten to go back on strike but the Prime Minister is waiting by his telephone, for an easy solution to come once again from Washington.

[*Text*]

Mr. J. A. Byrne (Parliamentary Secretary to Minister of Labour): This afternoon we have heard widely divergent views as to how the Minister of Labour (Mr. MacEachen) and the Prime Minister (Mr. Pearson) should have reacted to the demonstrators who were here yesterday. The hon. member for Acadia (Mr. Horner) condemns the minister and the government for not welcoming the demonstrators and the officers of the union with open arms. The hon. member for Three Rivers (Mr. Balcer) suggests that we should have no dealings with the officers of this union at all—

Mr. Balcer: If it is illegal, it is illegal.

Mr. Byrne: —because they are acting illegally at the moment. We have another view expressed by the hon. member for Port Arthur (Mr. Fisher), namely that we should call out the troops.

Mr. Fisher: Mr. Speaker, I did not say it as simply as that. The hon. member should at least be fair.

Mr. Byrne: Well, Mr. Speaker, I am certainly—

Mr. Fisher: I should like to make it clear. I said that I believed the situation was so crucial along the docks that it would be necessary to call out the troops to sequester Banks and his leaders from access to the docks.

Mr. Byrne: Well, whether you want to call out the troops to sequester Mr. Banks or any of the union officials, or any of the rank and file who are not prepared to co-operate with this trusteeship before it has been set up, is neither here nor there. In my opinion, it is a rather extraordinary precedent to set in this situation and in a democratic country.

Mr. Balcer: I wonder if the hon. member would permit me to ask him a question? Does he say—

Mr. Byrne: I would be quite happy to take any questions after I have completed my remarks.

After all, let us not get too excited over this situation. What we are concerned about, and what everyone seems to be most concerned about, is keeping the ships moving. There is a great deal of sympathy nowadays for communist Russia. People are concerned about keeping the ships moving and keeping wheat flowing to the seaports so that it may be exported. This is well and good, and as an objective is certainly to be commended. After all who is to guarantee, without the calling out of the troops, that if we act without a great deal of consideration these ships are going to continue to move? It must be

remembered that up until Sunday the ships were continuing to move from the head of the lakes to Montreal. After all, this is our objective.

Certainly, we cannot countenance the breaking of the law. However, it must be pointed out that the former minister of labour, the hon. member for Ontario (Mr. Starr), was informed by his department officials that the Canadian seamen's union was breaking the law of Canada as far back as 1959. Why did he not act? The minister refused to act because this labour union belonged to a larger body in the trade union movement, and because they belonged to this larger body this somehow excused their acts of violence and their illegal actions. It appears to be a question of degree. On the one hand, we are prepared to accept these illegal actions because they happen to be committed by a large organization, but now, on the other hand, we are not prepared to accept them because they are committed by a smaller organization. We must take precipitate action. We must accept the Norris report as a court decision and take action immediately. We must deport Mr. Banks or put him in jail.

No legal action has been taken. I think we should face this problem more calmly. I want to say at this time, Mr. Speaker, that the Minister of Labour needs no one to speak on his behalf. I am expressing my own opinions as a member of parliament. But none the less I believe I have the right to answer some of the criticism that I have heard here today.

As the opposition have said, there was some delay in introducing the trusteeship legislation, but I think the minister was completely justified in allowing his departmental officers to take considerable time in drafting the legislation, legislation without precedent, so that it would be able to stand up if tested in the courts.

The Leader of the Opposition said we should have taken action immediately, but it must be remembered he was the author of the Canadian Bill of Rights which we heard about for 15 years before it became law. It seems passing strange that just because some of his constituents, wheat farmers, may be hurt by a labour union, he would march in immediately and take away the rights of union members.

Mr. Nasserden: On a question of privilege, Mr. Speaker, in answer to a question yesterday the Minister of Justice indicated that the trusteeship legislation was in accord with the Canadian Bill of Rights.

Mr. Deputy Speaker: Order; there is no question of privilege there.

Mr. Byrne: I did not hear the hon. member's interjection but I always welcome interjections from him because he makes them in such a smiling manner. However I believe he did say that the trusteeship legislation was in conformity with the bill of rights. I would point out to him that if the legislation had been drafted immediately after the Norris report was tabled he would have had no assurance that it would be in conformity with the bill of rights. We wanted to make sure that it was in complete conformity with the bill of rights, and that was one reason for the delay.

Since the longshoremen's strike has been brought into this debate I think I should refer to it for a few moments. Here again there was fear and dread expressed by hon. members from the prairie provinces that we were going to lose the sale of a few million bushels of wheat because the long-suffering longshoremen, after negotiating for over a year, had come to the end of the trail and decided to take legal strike action to obtain their just demands. In that incident also the opposition said the government should take immediate action to end the strike. How else does a government take such action except to call in the troops or introduce legislation providing for compulsory arbitration?

Let us be reasonable when we are discussing these matters. We have not lost any sales yet, and I feel quite confident that with the present Minister of Labour we are less likely to lose orders as a result of his improper management of the Department of Labour than at any time over the past six years. The hon. member for Three Rivers (Mr. Balcer) has suggested a free election in respect to the management of union affairs. I cannot conceive of any type of election, unless it is secret, being a true democratic election; and the trusteeship legislation provides that in anything which the trustees attempt to foist upon the unions all questions will be decided by a secret ballot, particularly the election of officers.

Nobody need fear anything from this legislation, and now that the opposition has been relatively assured that the government will take the action they have been demanding for the last three months, I notice there is a bit of weakness on their part to support it wholeheartedly. The legislation will be enforced to the letter of the law, but the important factor today is to keep the seamen on the ships. Let us keep the boats moving, at least until freeze-up and they become icebound rather than strike bound.

I met some of the people who took part in yesterday's demonstration. On the one hand we saw that a section of them had fear of

the union leadership, and on the other hand a section appeared to have absolute confidence in that leadership. However the over-riding thing which the demonstration indicated was that we could have much more vast and greater difficulties. The ships could be tied up for a longer period if we do not work out some way in which these people will be prepared to accept the trusteeship, in the same manner as it has been accepted by the other four unions involved.

We do not want the ships tied up, and I am sure this is the desire of all hon. members, in addition to cleaning up the S.I.U. I would hope, however, that some of my friends in the far corner of the house do not anticipate that a cleaning up of a union means a changing of its certification. The cleaning up can be done from within, with the help of the trusteeship, but that should not be interpreted as a change of certification.

I appeal to all hon. members to try to keep cool heads. Certainly the minister kept a cool head during the longshoremen's strike, and thus prevented much more serious labour trouble. He is deserving of our confidence. I do not expect members of the opposition to show the same confidence, but at least in the interests of the country's economy let us all pull together and give the minister every support in implementing this legislation, thus assuring that the union will be democratically cleaned up and that the ships can be kept moving until freeze-up.

Mr. Eldon M. Woolliams (Bow River): Mr. Speaker, I had prepared some notes to use when speaking today on this amendment, but after listening to the Minister of Labour (Mr. MacEachen) would like to scrap those notes and answer the statement made by the minister this afternoon. I think I can safely say that all Canadians would have been rather shocked to hear that statement. I say this with the greatest respect for the minister because I, and I think hon. members generally on this side of the chamber, have great respect for him. We respect him as a gentleman; we respect his method of debating; we respect his oratory. However, I think it was most preposterous that we should hear the Minister of Labour of this country say in his speech that the S.I.U. people, led by Banks, who came here after walking off their ships and leaving their jobs committed an illegal act. When the question was asked as to whether the trusteeship act had been proclaimed, the minister had to admit that it was not the law of Canada; but he also said that according to the statutes of this country which control and govern labour relations, in this situation the march to Ottawa led by Mr. Banks—a recognized friend of the Secretary of State (Mr. Pickersgill) of the Liberal government—was illegal. Surely in the face of that statement the whole point is this, that the government of Canada is ready to allow people in this country to break the law. If you take the minister's statement at its worst, it is this: John Jones committed murder, but he only shot one Canadian. We will let him roam around this country and maybe he will not shoot any more Canadians. The minister admitted that we had in this country people who are breaking the law in this regard, but the government is not doing anything to enforce the law of the country.

I listened with a great deal of interest the other evening to the hon. member for Medicine Hat (Mr. Olson), who said it is always the responsibility of the government to enforce the law and this was the reason he was backing his friends on the other side of the chamber, the Liberal government. I think it is preposterous—and I want to emphasize this again—that this government, believing that the march on Ottawa, the seamen leaving their ships at Canadian docks or ports, or whatever you wish to call them, was illegal is doing nothing to see that the law of this country is enforced.

The Norris report has been handed down since July. In that report was set out the evidence in reference to the lawlessness of Banks and his associates. What stand did the Conservative government take with regard to this matter? I should like to refer to a statement made by the hon. member for Medicine Hat, whose constituency joins mine in the province of Alberta and whose industry is on all fours with the industry of Bow River. The hon. member stated that the Conservative government had not taken any action in regard to the lawlessness of Banks, his activities, the activities of his union on the great lakes. But the fact is that the Conservative government of that day set up a royal commission to ascertain the facts. You do not try a man without having the evidence; you do not try a man without having the facts, and you do not judge any organization or association in Canada without obtaining the facts.

Mr. Justice Norris held hearings all across this country. He weighed the evidence carefully. There were counsel representing the interested bodies, including the crown, the commission, the unions and various other associations. After weighing that evidence Mr. Justice Norris made certain recommendations. His report was filed in this House of Commons after we had been removed from that side of the house to this side, and the Liberal party formed the government of the day. I say this in answer to the support

given by the Social Credit party—that is, the first Social Credit party, the one led by the hon. member for Red Deer (Mr. Thompson), and not the second one. The hon. member for Medicine Hat asked, what did we do? We took a definite position, and I want to repeat it. We got the facts. Those facts were placed before the government of the day, and the government brought in a bill to form a trusteeship, which was one of Mr. Justice Norris' recommendations.

I asked a question today, and I want to repeat it. They talk about the trusteeship act and how they are going to implement this and that. I asked this question: Is this act now the law of Canada? The Minister of Labour would have shocked Canadians if they had been here in our place and heard him say it was not even proclaimed the law of Canada. In addition to that Canadians—I want to repeat this—would be shocked to realize that they elected a government that will not enforce law and order in this country when they know there is an organization, or a group of individuals, whose leaders are breaking the law.

Mr. Byrne: Mr. Speaker, would the hon. member permit a question?

Mr. Woolliams: No. I listened to you for a few minutes this afternoon. I have a few things to say before supper and I should like to finish them. I will answer any questions you want to put to me when I have finished. It is preposterous—and this is the point upon which I think the Canadian people will judge this government—that this government is not doing anything to correct this situation. I now want to come to the main part of the practical approach to this matter. Not only is this association, this group, breaking the law, but what is the effect upon the Canadian economy today? I believe there are 74 seats in this house from west of the great lakes. They are federal constituencies. Those people are all interested in one major industry, agriculture. In spite of the fact that the hon. member who endeavoured to ask a question a few minutes ago tried to dress up the situation and make it sound pretty good for the present government, I point out to him that there is a contract with the U.S.S.R. covering the sale of 228 million bushels of wheat. I asked the Minister of Trade and Commerce (Mr. Sharp) this afternoon how much wheat had been delivered under that contract. The answer, I believe, was that approximately 5,100,000 bushels had been delivered. I say this—

Mr. Robichaud: Up to what date? Be frank.

Mr. Woolliams: Up to the early part of October, or the end of September.

Mr. Robichaud: That is different.

Mr. Woolliams: But I can answer my hon. friend in this regard. We had the longshoremen's strike. There was not much wheat moving then. Now we have the problem of the S.I.U. and the men walking off their ships. There will not be much wheat moving now. If my hon. friend will just bear with me I will present the evidence as to whether the United States will eat into one of the greatest contracts secured by this country. I congratulate the government for having obtained this contract, but I would remind them of the fact when the sales were consummated with communist China, when credit was extended to the communist nations in order that they could buy this wheat, the foundation was laid by the former government, the Conservative government. We laid the foundation, enabling this wheat to be sold to these countries, and their peoples to be fed.

I think one of the most respected magazines or journals in regard to matters of trade is the *U.S. News and World Report*. I have here the issue of October 21 this year and I wish to read from it. However, before I quote from this magazine I would point out that the United States of America said it was wrong for Canada to sell wheat to people who were starving, if they belonged to a communist nation. But the moment we got into difficulty, the moment we had a government that would not enforce the law of this country so that ships could sail, the United States stepped into our wheat deal. My hon. friend says he thinks this contract will be fulfilled. I say, Mr. Speaker, that the U.S.S.R. will repudiate this contract if deliveries are delayed, because starving people need wheat and there has been a crop failure in that country and other countries. I now wish to refer to an article in this journal entitled "ABC's of American wheat sales to the reds". This the reason given for the new contract between the United States and the U.S.S.R:

> Russia has contracted for about 300 million bushels from Canada and Australia. Dock tie-ups, however, threaten to prevent shipment of all the Canadian grain before the great lakes freeze this winter. Russians, evidently, are desperate for grain after a crop failure that may cut production this year by as much as 25 per cent.
>
> The satellites have had poor crops too and cannot look to Russia for help.

In this article in the *U.S. News and World Report*, it says that the reason the United States has come into the picture to try to sell their surplus—and they have a surplus of one billion bushels—is that the ships are tied up on the great lakes. If this government stands by and allows these people to continue to break the law day after day,

strikes in the transportation system of this country will break out like red measles, because they will know they can get away with it. They say: Who is going to enforce the law? The government of the day is not going to enforce the law because the minister speaking for the government says that the law has been broken but they are doing nothing about it; they are going to hope that something turns up. Something will turn up, and it will do so in this way: The U.S.S.R. may repudiate one of the greatest wheat contracts ever made through the Canadian wheat board for this country.

What about the situation? How much wheat have we been selling? How important is it to Canada? In this regard I speak on behalf of western Canada and in doing so I wish to remind all members of the house, particularly those from Ontario and the eastern part of Canada generally, that the $400 million to $500 million wheat contract with Russia means new combines, new trucks, new cars and new machines that will be manufactured in the east, thus providing men with jobs and bringing about a better standard of living. The farmers will have the financial resources to be able to go into the market and purchase these machines so they can equip their farms properly and grow the grain.

How much wheat have we been selling? Let us take a look at the record. I wish the Minister of Trade and Commerce (Mr. Sharp) was in his seat this afternoon because not long ago he said I had misquoted the figures. I did not have them with me then but I do have them with me this afternoon, and I am going to give round figures. In 1952-53 we exported 255 million bushels. In 1953-54 we exported 251 million bushels. In 1954-55 we exported 312 million bushels. In 1955-56 we exported 264 million bushels. In 1956-57 we exported 264 million bushels. In 1957-58 we exported 320 million bushels. In 1958-59 we exported 294 million bushels. In 1959-1960 we exported 277 million bushels and in 1960-61 we exported 353 million bushels. I might digress for a moment. You will see there was a jump of 100 million bushels in that year, which was almost solely due to the sale of wheat to communist China, because they were able to buy on credit under the former government. In 1961-62 we exported 357 million bushels.

There is the story. I was in western Canada last week. I was absent from the house for a few days. At Flaxcombe, Saskatchewan, I saw 50,000 bushels of wheat piled up on one farm. People are trying to get lumber to build bins. All across western Canada there is the largest crop of wheat since the days when my father went out to Saskatchewan in 1905 to homestead. There is the largest crop of wheat since 1905, a crop of 700 million bushels, one of the largest that western Canada has ever produced. The contract with Russia will play a large part in helping the western farmers to get rid of the biggest crop they have ever produced and, as I said, the whole economy is affected.

Why can we not get rid of it? I charge those who sit on the treasury benches, which are fairly empty this afternoon, with irresponsibility because they are not enforcing the law of Canada. I see that the Postmaster General (Mr. Denis) shrugs. He can shrug his shoulders but he can look to his colleagues—I wish more of them were here this afternoon—to assume their responsibility as far as this matter is concerned.

Mr. Robichaud: Open your eyes.

Mr. Denis: We are four. Are you not satisfied?

Mr. Robichaud: Five.

Mr. Woolliams: I am glad to see four or five here, but I am not going to digress. I want to say I was very happy to hear the hon. member for Port Arthur (Mr. Fisher) speak in the manner he did because he somewhat contradicted his own leader. The other night his own leader said that they endorsed the government. The Social Credit party, the first Social Credit party, not the second, has endorsed the government. They have got some arrangement.

We have been criticized by certain sections of the press, particularly the Toronto *Star*. I think they called me a huckster or something like that because we have dared to stand up and tell the government that they are evading the fact that people in this country are breaking the law. I would remind the new government of a statement that was quoted by the Prime Minister when he was leader of the official opposition. I do not think he would say these words are asinine like he said last night when he lost his temper. He quoted at one time words put on the record by another great prime minister, Arthur Meighen. This is what he said:

> If parliament is to be preserved as a living institution, His Majesty's loyal opposition must fearlessly perform its functions.

That is why we are talking today. That is why we are criticizing. That is why we brought to the attention of the public the flaws of the worst budget ever brought down in this country. That is why we have criticized the Minister of National Health and Welfare (Miss LaMarsh) who says she is the

mother of all pensions but who rocked the contributory pension plan to sleep. I believe it is asleep; we hope so, and I do not think we will hear about it again. Here is what Mr. Meighen went on to say:

> When it properly discharges them the preservation of our freedom is assured. The reading of history proves that freedom always dies when criticism ends. It upholds and maintains the rights of minorities against majorities. It must be vigilant against expression and unjust invasions by the cabinet of the rights of the people. It should supervise all expenditures and prevent overexpenditure by exposing to the light of public opinion wasteful expenditures or worse. It finds fault; it suggests amendments—

We have suggested an amendment. Let us have a look at it. Let us analyse what our amendment says. In a day's time we have changed the attitude of the New Democratic party, because the hon. member for Port Arthur has said that he now looks at the matter differently. He does so because the minister has said that these people are breaking the law but the government is going to wait; they are going to hope; they are going to delay; they are going to see what happens; they are going to follow political expediency so they may possibly be able to get another seat or two in the next election. That is really their position. That is the charge I level at this government of expediency.

An hon. Member: We learned it from you.

Mr. Woolliams: The hon. member says they learned it from someone else. Let me say they learned their lesson well. Here is what our amendment says:

> This government, because of its confusion, inconsistency and pusillanimous dawdling and delays in taking effective action has encouraged chaos approaching anarchy to develop on the great lakes, the seaway, and in several Canadian ports, thereby causing disruption in shipping and the placing in jeopardy of essential trade in general, and in particular contracts for delivery of wheat to foreign countries.

Surely we have the right to criticize, because by standing in our places and criticizing today and bringing this matter to the attention of the government they may retreat or they may do better than retreat. They may go ahead and do something which they should do, enforce law and order in this country.

Mr. Muir (Lisgar): They may resign, too.

Mr. Woolliams: It would be a very good idea if they did resign. Mr. Meighen went on to say:

> —it asks questions and elicits information; it arouses, educates and moulds public opinion by voice and vote. It must scrutinize every action by the government and in doing so prevents the shortcuts through democratic procedure that governments like to make. The absence of a strong opposition means a one party state. A one party state means an all powerful cabinet.

I remind the Liberals that these words were quoted by the Prime Minister when he sat in the opposition. Let us take a look at the situation. As I say, I am not going to use my notes because I want to answer the Minister of Labour. The minister described how Mr. Banks came here with his men, how they had banners with the names of members of parliament and their constituencies on them, and how they walked on to parliament hill and broke the law. That is what he said. He blamed it all on Banks. I would ask him to have supper tonight with the Secretary of State (Mr. Pickersgill), because the Secretary of State does not look on Mr. Banks in that light.

Why are we in trouble this afternoon on the great lakes? Why is there unrest among the members of the S.I.U. today? Because the former Liberal government brought a man into Canada—I say illegally, although they made his entry legal through an order in council—and that same man has excited the men, in the words of the minister, who wish to go back to work. When the Leader of the Opposition put the record of this man on *Hansard* the other day, what did the Secretary of State say? He uttered the most shocking words for a minister of the crown, particularly in circumstances where their chickens have come home to roost. We were talking about Banks, and he said: "I don't repudiate my friends". This is the charge I make of the government. If the Secretary of State, who is not in the house at the moment, does not want to repudiate Mr. Banks because he is a friend, is that any reason for the government to allow these people to break the law from day to day?

Mr. Byrne: What page of *Hansard* is that?

Mr. Woolliams: Page 3218, and I am glad my hon. friend has a copy because I want him properly informed.

Mr. Robichaud: You need to be checked.

Mr. Woolliams: This is what the Leader of the Opposition said, and one remark he made does not appear in *Hansard*; I was sitting here and I heard it. He said:

> I now want to appropriate the words of the hon. gentleman during an interruption a moment ago.

And he is a great interrupter. The Prime Minister said I was a professional interrupter, but I certainly cannot compete with the Secretary of State; he has me beat. The Leader of the Opposition went on, in reference to what the Secretary of State said:—

> He said, "I am not in the habit of repudiating my friends".

My charge against the Liberal government is to measure up to their responsibilities and tell the Secretary of State that even though Banks is a friend we have to enforce law and order in the country.

I should like to return to the main part of my address and say that without this law and order the wheat will never reach Russia, or Japan, or the hungry. Without law and order Canada will lose the finest deal we have had for many years, a deal which was negotiated basically by the former government through steps they took in negotiations with communist China.

Mr. Byrne: Mr. Speaker, on a question of privilege—

Mr. Woolliams: I am not aware of any question of privilege arising, unless—

Some hon. Members: Oh, oh.

The Acting Speaker (Mr. Batten): Order.

Mr. Woolliams: It must be because my hon. friend is very fond of the word "communist". That is the only question of privilege I can think of.

Mr. Byrne: On a question of privilege affecting the members of this house, Mr. Speaker, the hon. member indicated that he was quoting the Secretary of State for External Affairs (Mr. Martin).

Mr. Woolliams: No, I did not.

Mr. Byrne: As I heard the remarks he was quoting the Prime Minister (Mr. Pearson), who apparently put words into the mouth of the Secretary of State.

Mr. Woolliams: I always like to quote the Prime Minister as one of the Secretary of State's witnesses, because they are all colluding together.

I have here an article I did not intend to read, but we have heard a lot about this great relationship with the United States, which is now stepping in to take the contract. Let us just put things in their proper perspective. Who were the "friends" who got the Liberals elected to form this kind of irresponsible government? I say that some of these friends were on the other side of the border. It is interesting to read what Mr. Milburn P. Akers said recently in an article in the Chicago *Sun-Times*, written before the minister changed his opinion. They thought it was very simple, with these people behind the iron curtain; but when a few dollars were involved they changed their tune. Let us see what is said about Canadians by some of the friends of the Liberals. This is one of the writers who promoted a new Liberal government with the great arm of friendship of the United States. This is what a responsible writer in a responsible newspaper in another country, a person who is a friend of these people, said:

> The United States can take care of its enemies.

No one has ever questioned that, and I say thank God it can.

> In doing so, it has saved many of its friends, as well, from being overrun by communist nations. But heaven save the United States from its "friends"—friends such as Canada—whose primary concern appears to be that of making a dollar, no matter the damage done to this nation's over-all objectives.
>
> What is behind Canada's so obvious desire to maintain Castro and his communist regime in power? That desire has been long evident. The only reasonable explanation is that Canada, afflicted with an international inferiority complex, obtains some sort of satisfaction in attempting to frustrate U.S. policy. Such acts feed its ego. And, simultaneously, acts such as selling wheat to Russia for Cuba provides it with dollars—the principal Canadian concern nowadays, so it seems.

This next sentence is amazing, and it will shock you people from the province of Quebec.

> It might not be amiss for Americans, for whose policies Canadians evidence little concern, to be a bit more sympathetic to the aspirations of the French speaking Canadians of Quebec. Those people have become "fed up" with Ottawa, too.

And so are we today. Mr. Akers did not say yesterday, he said today. Where is this great love affair? What has happened to it? There seems to have been a breach of promise, to say the least. Mr. Akers continues:

> Maybe they should be permitted to go their own way, even as Canada, in effect, insists that Cuba be allowed to do. An independent Quebec might provide a market for some surplus wheat now stored in the United States.

There is the threat. If I can be personal for a moment, I might say I am married to a United States citizen, and I would be the last person to criticize the United States. But this type of American writing in this kind of style shows a kind of irresponsibility which was endorsed by this government now sitting across the way. That is my charge.

The government ask what we would do, Mr. Speaker. I would answer them in one simple sentence: If our party were in office we would enforce the law of the country. That is my answer, with the greatest respect, to a man who I have always admired as a man from a province I was born in, namely the leader of the New Democratic party.

What does this wheat deal mean? Do not tie it up in dollars for western Canada alone; it means big business for the railroads and the shipping companies. It means millions of dollars in the hands of the farmers. It means higher production in eastern factories and an increase in the gross national product.

Some hon. Members: Hear, hear.

Mr. Woolliams: You can clap, but you will be in tears tomorrow if you do not get the grain moving. Above all, it means this—millions of jobs across the country for millions of Canadians who can live with dignity with their families and enjoy a higher standard of living. But I make the prediction, although I hope I am wrong, that unless the government gets rid of its inertia, then we will lose this deal. I say—

An hon. Member: How do you know?

Mr. Woolliams: Some one says how do I know. I know he may not know these facts, but if he goes to the ports tonight he will see how much wheat is being loaded. We lost 60 million bushels which would have been exported from the country had the government not allowed a strike to go on for several days while it negotiated and negotiated. But this is different. I see the Minister of Agriculture (Mr. Hays) in his place, having returned from Calgary smiling; but he has a responsibility to the people of Alberta. We may lose this deal. The contract may be repudiated because of the inaction, the ineffectiveness and the delay of this Liberal government who fought a phony campaign on that very issue, branding the former government as one which delayed when they themselves can be indicted of the offence; and I have tried to place the facts about that before the house this afternoon.

While I am on my feet I want to say a word about a remark which was made last night. Hon. gentlemen opposite talk about their good relationships with other countries —and they have got into trouble. This is what appears in the *U.S. News and World Report* of October 28, 1963. This is the latest edition, and this is what it says:

> One thing has become clear: Canada's changing government has not removed the basic causes of friction with the United States. What happens next is anybody's guess.

I can tell the people in Washington it is anybody's guess up in Ottawa, too.

An hon. Member: Are you going to run for leadership?

Mr. Woolliams: Somebody talks about leadership. Well, his party needs some leadership. I know exactly what hon. members opposite like to do. They like to erode our leaders. They may have noticed we seldom refer to their leader, but I intend to do so now. Last night the Prime Minister talked about a conversation on the telephone between himself and the President of the United States. The right hon. gentleman told us what he said to the President. When I asked him what the President had said to him in reply, he replied to me that I had made an asinine interruption. Why was it asinine? Was it because the President might have said, "no" so often to the Prime Minister of Canada that the right hon. gentleman did not want to tell the people of Canada about it? If that interruption was asinine, I ask you, Mr. Speaker, to tell us how asinine was that statement made last night by the leader of the party opposite. How asinine can government policy be, when it will not enforce the laws of this country so as to get the economy moving—to use one of its own phrases borrowed from across the line?

Mr. Steven Otto (York East): Mr. Speaker, I am not known for making either long speeches or partisan speeches but I should like to beg the indulgence of the house for a few moments because I do not want to let this occasion pass without making a few observations on this important question of trusteeship legislation.

I see little reason for throwing recriminations back and forth from one side of the house to the other. I do not think anybody will come out of this mess with entirely clean hands—neither the former government, nor the government before that, nor the shipping companies with their "sweetheart" deals. I honestly think that despite the speeches we have heard from the other side, most members would agree that the Minister of Labour has done a very good job. I should like to draw attention to one point made this afternoon by the hon. member for Port Arthur (Mr. Fisher). It was a point which, I thought, brought this whole situation into focus and it concerned the problem raised by Hal Banks. If we say that Hal Banks is the cause of this problem, then, surely, we are saying that either the rank and file of the S.I.U. are his imitators or that there is no communication between the rank and file of the S.I.U.—or of any union, for that matter—and its executive.

The hon. member for Kootenay East (Mr. Byrne) made his point very accurately when he said that we should be concerned, not with this trusteeship legislation, which has already been passed and which must now be carried out, but with the lack of democratic links between the rank and file of the union movement and its executive. The hon. member for Port Arthur pointed out that no one could be expected to have the foolish courage to get up and face Mr. Banks in the open in contradiction to his plans or policies. That stands to reason. I submit we should be concerned in future with legislation to compel the holding of a secret ballot in the election of officers in the union movement. If that were done I think we would have no

Hal Banks, and we would have had no march on Ottawa; because I believe the members of the labour unions are, as you and I, good, honest citizens trying to make a living. I think we should accord to them the opportunity of democratically electing their responsible leadership.

If I have made it clear—and I think I have, with all due respect to the opposition—that we are in agreement with the action taken by the Minister of Labour, then, surely, there should be no cause for further debate and the amendment should fall.

Mr. Starr: May I call it six o'clock?

At six o'clock the house took recess.

AFTER RECESS

The house resumed at 8 p.m.

Hon. Michael Starr (Ontario): Mr. Speaker, this afternoon we had a statement from the Minister of Labour (Mr. MacEachen) in respect of the amendment, and the charges that had been made by the official opposition in that amendment. This statement certainly bore out the facts set out in the amendment, and the charges that are made concerning the actions of this government. This afternoon on orders of the day I asked the minister to answer two questions. The minister said he would be making a statement later and he would then deal with the questions asked of him.

I asked him in respect of a meeting with Mr. Banks and the purpose of that meeting. Well, the minister dealt with that by stating he explained to Mr. Banks in a mild way that he would have a meeting with Mr. Banks provided the S.I.U. members returned to their ships. However, he did not deal in detail with the purpose of the meeting and left that question unanswered. I requested him also to explain the walkout and what the government intended to do with this illegal walkout as the government terms it. The minister did not deal with that at all. He said he hoped that the S.I.U. members would go back to work of their own accord. Well, Mr. Speaker, we have been informed that in Fort William the union voted not to go back to work. Certainly this should precipitate some action on the part of the government to deal with what they term an illegal walkout.

Let us look at the situation that has developed over the period of a few weeks. Negotiations were initiated in respect of a private trusteeship. I would not be surprised if those negotiations were initiated by this government in order to see if they could find a way out. These negotiations broke down, and we could not find the reason for the breakdown until Mr. Wirtz issued an explanation. The reason for the breakdown was that the C.L.C. insisted on two Canadians being members of the trusteeship, and one person from the United States. It goes without saying, therefore, that the United States must have insisted on two representatives, and one Canadian. This was the reason for the breakdown in negotiations. We had to find this out from the United States rather than from our own government.

Then, the trusteeship bill was introduced because the government could not find any other alternative. All attempts to find an alternative had broken down. The bill was passed unanimously by all parties in this house. Then, after it was passed in the Senate, lo and behold, negotiations for a private trusteeship were resumed. Now I ask, who initiated those negotiations after this House of Commons and the Senate had passed that bill? We have received no answer. There has been delay and evasive answers. Then, over the week end word was received that the negotiations which had been resumed had broken down again.

What was the reason for the breakdown this time? The explanation has been given that they broke down because the S.I.U. membership walked off the boats. Well, Mr. Speaker, that is no explanation at all in my opinion. It is only an excuse. This action by the S.I.U. should have precipitated a private trusteeship. It should have made those who were negotiating more resolved to bring about a trusteeship immediately. The admission was made that Banks had broken the negotiations for a private trusteeship. That is an example of the power this man wields over this government. They cater to his every wish. We would like to be told the real reason for the breakdown of these negotiations, and not the lame excuse that was given by the minister and by others.

This afternoon we had a statement from the minister that the S.I.U. walkout was an illegal walkout. If it was an illegal walkout, why did the government not take some action to get these men back on the ships? Why has there been this delay, this procrastination, these evasive statements that we have been getting in respect of these matters? It is quite clear what action should be taken by the government in this serious situation. The government says, we are going to see what is going to happen; we are going to let somebody else do the job for us. You talk about evasion, procrastination and delay.

Let us take the Minister of Justice (Mr. Chevrier) as an example. Special counsel were appointed back in July to look into the Norris

commission report and ascertain what charges might arise from the revelations in that report. They have submitted a report, but no one knows how long ago it was submitted. Questions have been asked in this house for the past three weeks, but the government has treated it as a preliminary report. There has been no action, but somebody in the department is studying it. Then, they have to have another meeting with the two counsellors who were appointed. Is this report so complicated the legal men in the Department of Justice cannot understand it? Why has there been this delay? What is the real reason behind what is happening at this time? What does this report contain? This is what the members of this house want to know and what the people of Canada want to know. Why has the Prime Minister (Mr. Pearson) laboured so long on this question? Why is the Minister of Justice delaying action on this question? Why is the whole government stalling? What are they waiting for? Are they waiting for things to get so difficult they will have no control over them? Are they waiting for someone else to find a solution? Are they going to telephone to Mr. Wirtz to see if he can settle the problem, just as they asked for his support and his help on previous occasions?

The Minister of Labour says that they are now proceeding to look for trustees. They are looking for trustees after the bill has been passed. Why has there been this delay? Why could they not have had people ready to appoint? They have had all this time since July to find people. In his statement today the Minister of Labour gave credence to the facts outlined in the amendment we introduced, because his statement was one of stalling, of hope, of no action and no trusteeship. There has been nothing but dawdling, delay, inconsistency, confusion, all of which has encouraged chaos and this is the result of the government's fear of making a decision. These are the words in our amendment, and these are the facts as illustrated by what we have seen in the statements we have heard from the Prime Minister and his colleagues in the cabinet. The words of the amendment certainly fit the government's actions, and it is no wonder that the hon. member for Port Arthur (Mr. Fisher) said today they were going to change their minds. Every party in opposition, and indeed hon. members on the other side of the house, ought to support this amendment because deep down in their hearts they know it tells the truth.

We have given the government every opportunity. We have endeavoured to be helpful. We have supported the trusteeship bill; but when the government introduced that bill and said every available means had been exhausted in attempting to bring about an effective alternative solution to the problem, was it telling the house the truth? Was it just going through the motions? Was it just stalling for time?

The bill was passed, but why has it not been proclaimed? What is the government waiting for—legal advice, or advice from Mr. Banks with respect to this matter? Is that the purpose of the meeting? What is there to discuss with Mr. Banks at this point? Parliament has spoken. The representatives of the people have spoken. The bill has been passed by the other place. All that is needed now is action by the government, this government which told the people of Canada it would give action and direction to the country.

Members of the government gave themselves 60 days, but no action was taken at that time, and many more days have gone by without action. Every day on orders of the day the same answer is given: The government has not yet decided. The people are wondering when the government is going to decide to take action, but indeed the day for action has long past.

Mr. Robichaud: You had six years of inaction.

Mr. Smith: Name the trustees.

Mr. Speaker: Order. It being 8.15 o'clock p.m. it is my duty, pursuant to section 4(d) of standing order 56 to interrupt these proceedings forthwith and put the question on the amendment before the house.

The house divided on the amendment (Mr. Diefenbaker) which was negatived on the following division:

YEAS

Messrs:

Alkenbrack
Balcer
Baldwin
Bell
Bigg
Cadieu (Meadow Lake)
Cantelon
Casselman, Mrs.
Churchill
Clancy
Coates
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Doucett
Fane
Fleming (Okanagan-Revelstoke)
Forbes
Grafftey
Gundlock
Hales
Harkness
Horner (Acadia)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Lamb
Lambert
Loney
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McCutcheon
McIntosh
Madill
Mandziuk
Martineau
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)

Division

Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nugent
Ormiston
Pascoe
Paul
Pigeon
Pugh
Rapp
Rheaume
Ricard
Rynard
Simpson
Skoreyko
Slogan
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Vincent
Watson (Assiniboia)
Webb
Weichel
Willoughby
Winkler—79.

NAYS

Messrs:

Addison
Armstrong
Asselin (Notre Dame de Grace)
Asselin (Richmond-Wolfe)
Badanai
Basford
Batten
Beaule
Bechard
Beer
Belanger
Benidickson
Benson
Berger
Blouin
Boulanger
Brewin
Brown
Byrne
Cameron (High Park)
Cameron (Nanaimo-Cowichan-The Islands)
Cantin
Caouette
Cardin
Caron
Carter
Cashin
Chapdelaine
Chevrier
Choquette
Côté (Chicoutimi)
Côté (Longueuil)
Cowan
Crossman
Cyr
Davis
Deachman
Denis
Deschatelets
Dionne
Douglas
Drouin
Dube
Dupuis
Emard
Ethier
Eudes
Favreau
Fisher
Forest
Forgie
Foy
Frenette
Garland
Gauthier
Gelber
Gendron
Girouard
Granger
Gray
Greene
Groos
Guay
Habel
Haidasz
Hahn
Harley
Hays
Hellyer
Herridge
Honey
Howard
Howe (Hamilton South)
Jewett, Miss
Kelly
Klein
Knowles
LaMarsh, Miss
Lamontagne
Lamoureux
Langlois
Laniel
Laprise
Latulippe
Laverdiere
Leduc
Lessard (Lake St. John)
Loiselle
Macdonald
MacEachen
McIlraith
McMillan
McNulty
McWilliam
Marcoux
Martin (Essex East)
Matheson
Matte
Mitchell
Moreau
Mullally
Nicholson
O'Keefe
Olson
Orlikow
Otto
Ouellet
Pennell
Pickersgill
Pilon
Prittie
Richard
Rideout
Rinfret
Robichaud
Rochon
Rock
Rondeau
Rouleau
Roxburgh
Ryan
Sauve
Scott
Sharp
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Turner
Wahn
Walker
Watson (Chateauguay-Hungtindon-Laprairie)
Webster
Whelan
Winch—137.

Mr. Speaker: I declare the amendment lost.

[*Translation*]

Mr. Georges Lachance (Lafontaine): Mr. Speaker, I was paired. Had I voted, I would have voted against the amendment.

[*Text*]

Mr. Chatterton: Mr. Speaker, I was paired with the Minister of Northern Affairs and National Resources. (Mr. Laing). Otherwise I would have voted for the amendment.

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

COMPLAINT ALLEGING INCOMPLETE ANSWERS TO QUESTIONS ON ORDER PAPER

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a grievance to raise tonight which has to do with a subject which I drew to the attention of the treasury benches on October 21. It concerns the manner in which members on the treasury benches are answering the questions which are asked by the opposition. I thought I would raise the matter tonight because there is more time now for members on the opposition side to voice their views.

I feel, and I believe I am justified in saying so, that while some of the ministers co-operate, the great majority take refuge in equivocation, evasion and vagueness when they are answering questions put to them by members of the opposition. When the Secretary of State (Mr. Pickersgill) took part in the discussion on October 21 with relation to the question of privilege I raised he told the house that during the first 70 days of this session some 2,941 questions had been answered as opposed to 1,705 questions in the first 70 days of the last session.

There are two answers to that, Mr. Speaker. The first is that the number of questions which appear on the order paper would not be so large if the ministers of the crown would not equivocate in their answers, but give the direct information to which we feel we are entitled. The second answer to the proposition put by the Secretary of State might well be that the members on this side of the house take their responsibilities a little more conscientiously than the members on the government benches did when they were

in opposition. I have heard hon. members from the Conservative party, the New Democratic party and the two groups in the Social Credit party put question after question to various ministers, yet not once has there been a direct answer.

Today, Mr. Speaker, a question I put concerning the construction of an airport at Mayo was answered by two ministers, the Minister of Transport (Mr. McIlraith) and the Minister of Northern Affairs, who is not presently in his seat, I am sorry to see. The question was a written one and I asked about the representation being made to the government concerning the construction of an airport at Mayo. The Minister of Northern Affairs said that the only representations he had received were oral, being made to him at the time of his visit this summer to the Yukon. The Minister of Transport was honest enough to say he had received representations as far back as 1962 from myself and others in the Yukon. Why this hiding of information by the Minister of Northern Affairs? Why this hiding of information by the Minister of Justice (Mr. Chevrier) and the Minister of Public Works (Mr. Deschatelets) in answer to the question I asked concerning the construction of a minimum security institution in the Yukon? Why cannot we be told when tenders will be called on various projects? Why cannot we have direct and unequivocal answers to the questions we ask? I remember asking the Secretary of State for External Affairs (Mr. Martin) a question, which he answered yesterday, concerning consultations which were had with officials of the government of the United States regarding matters of transportation in the Pacific northwest. These matters concerned corridors through to tidewater, the paving of the Alaska highway, the Haines cut-off road, the acquisition of a free port, and so on. The Secretary of State for External Affairs said, as reported on page 3806 of *Hansard*:

> There have been no recent negotiations between the governments of Canada and the United States on any of the five subjects mentioned in the question, although there have been some informal and inconclusive discussions with regard to the Haines cut-off highway.

What did the Minister of National Defence (Mr. Hellyer) say? Is this one of these snap decisions? He said that the Haines cut-off road would be maintained all year round this winter on a trial basis. Surely this decision was not made between the time the Secretary of State for External Affairs answered the question yesterday and roughly three o'clock this afternoon, when the Minister of National Defence made his announcement, because international negotiations could not have been carried on in the space of a few hours. This all indicates a serious lack of, for want of a better term, frankness with hon. members of the opposition and the constituencies they represent.

Mr. Hellyer: Mr. Speaker, on a point of order, did my hon. friend say that the decision with respect to the Haines cut-off could not have been made between yesterday and today? Because if he did, may I correct him and say that the whole matter was dealt with this morning.

Mr. Nielsen: I did not suggest, Mr. Speaker, that the decision could not have been made between those hours, although decisions usually made by this government are made tomorrow, tomorrow, tomorrow. What I said was that these negotiations could not have been conducted within the space of a few hours, between the time the Secretary of State for External Affairs answered yesterday and the time the Minister of National Defence made his answer today. The Secretary of State for External Affairs said yesterday:

> There have been no recent negotiations between the governments of Canada and the United States on any of the five subjects mentioned in the question—

One of those five subjects was the Haines cut-off road.

Mr. Martin (Essex East): Would my hon. friend permit a question? Perhaps he is underestimating the negotiating capacity of the Secretary of State for External Affairs.

Mr. Nielsen: I do not for a moment underestimate the capacity of the Secretary of State for External Affairs, but I am sure he would sooner be minister of agriculture because there is a certain lack of capacity there which I am sure the hon. gentleman would fill admirably, with all his vast knowledge of agricultural problems in this country. I recall the hon. gentleman in a previous debate telling the speaker in the house that he did not understand the point he was making because of their mutual misunderstanding of the agricultural problems of the country. But the Secretary of State for External Affairs did not leave it at that yesterday when answering the question. He went on to say:

> I would refer my hon. friend to what the minister of northern affairs said on October 3, 1963, page 3165 of *Hansard*.

If hon. members would turn to page 3165 of *Hansard*, perhaps they could tell me where the minister of northern affairs uttered a single syllable, either on that or adjacent pages. That is typical of the "M.B.S."—the

"Martin bureau of statistics", an organization we heard about when hon. gentlemen opposite were on this side of the house.

But seriously, Mr. Speaker, the Secretary of State (Mr. Pickersgill), when speaking to the question of privilege I raised yesterday said, as reported on page 3821 of *Hansard*:

> The hon. member said he could waste the time of the house by asking questions. Surely if his questions are a waste of the time of the house they should not be asked on orders of the day, and they should not be put on the order paper either.

I read these questions which appear on the order paper both when they first appear in *Votes and Proceedings* and when they appear on the order paper. I read the questions of all hon. members and take an interest in them, and none appear to me to be a waste of time. They are put on the order paper because we do not want to waste the time of the house on orders of the day. We give the government ample opportunity to answer them and plenty of time to come up with some sort of accuracy, truth and unequivocation. But we do not get this. This seems to me to be a dereliction of a duty which ministers who sit on the treasury benches owe to all hon. members. When we take the time and trouble to phrase our questions, the least the government can do is to answer them as fully as they can.

As far as the number of questions is concerned, a point raised by the Secretary of State for External Affairs, that is no criterion at all. While a question placed on the order paper may not have the urgency required for orders of the day, it at least requires the courtesy of a reply. The particular question which raised my point of privilege yesterday was No. 1,272, namely the date on which tenders would be called for the construction of a minimum security penal institution in the Yukon. I asked where the government proposed to construct this institution, and the answer given was: "In the Whitehorse area". The Whitehorse area covers a great deal of ground. The Department of Justice and the Department of Public Works must know precisely where that institution will be constructed, and the least they owe to members on this side is some forthright, frank and truthful information. It was they who assassinated the character of the leader of this party by accusing him of not telling the truth. I ask those who sit now on the treasury benches to practise a little of what they preached over six years.

I need not confine my remarks to questions which are put on the order paper. The questions asked on orders of the day are just as evasively and equivocally answered. We heard a most shameful display the other day when questions were directed to the Prime Minister (Mr. Pearson) inquiring as to the whereabouts of the Minister of Agriculture (Mr. Hays) at a given moment. The right hon. gentleman said, and it is recorded in *Hansard* that the Minister of Agriculture was in the west attending to the grass roots, or talking to the grass roots, or feeling the grass roots. It was something to do with grass roots—fertilizing them, maybe. Anyway, that was not the truth. It was not the case at all. The minister was not in the west. It seems to me that when such questions are put they deserve an honest and forthright answer.

We heard the hon. member for Grey-Bruce (Mr. Winkler) try to fix the responsibility for a certain document concerning patronage in every constituency in this country. The Secretary of State (Mr. Pickersgill) denied the existence of such a document, as did the Postmaster General (Mr. Denis). It seems to me it is a denial of the truth and that it makes a farce of the proceedings in this chamber for a minister to say a document does not exist when we see it produced before our very eyes over there in the hands of my hon. friend. Incidentally, it seems passing strange that this million dollar cabinet has to send a $35,000 a year minister out to earn a few bucks at a cattle auction in Ontario.

Mr. Hays: On a question of privilege, I should like to say I have not taken a nickel for any of the work I have done for the cattle breeders, and I do not intend to.

Some hon. Members: Withdraw.

Mr. Nielsen: I am sure the Minister of Agriculture would be overjoyed to take part in this debate and accept a challenge to do so although he could not, would not, or was unable to do so during the debate on the agricultural amendment.

We have heard much about co-ordination within the cabinet, but it seems to me that the right hand does not know what the left hand is doing, and we get more left hand from over there than right hand. I do not know whether this lack of co-ordination when it comes to answering questions is a result of too much imagination on the treasury benches or whether it is the result of too little; whether it is due to lack of co-ordination between their officials and themselves or to lack of cohesion among themselves. At any rate, there is a distressing lack of something. Otherwise, we would get the answers we deserve.

An hon. Member: You do.

Mr. Nielsen: I do not know whether it is insemination within the cabinet or dissemination, but in connection with this dissemination I think there should be more cross-breeding between cabinet members.

Mr. Berger: May I put a question to the hon. member? Does he not think that the system of answering questions under the present regime is much better than it was under the former administration, with all the shifting and changing of ministers that took place? I do not think he would have bothered to put his questions, because the minister would have been moved to another post.

Mr. Nielsen: I have sat in this chamber both on that side and on this side and I could tell the hon. member that under the former government, even though a question might have been embarrassing, it was answered truthfully and factually at all times.

The Secretary of State wonders why so many questions are asked on this side of the house. They are asked because we do not get the answers, so a question has to be put over and over again. And still we do not get the answer. Surely, unless a particular piece of information is privileged, or confidential, hon. members are entitled to be given it without distortion. I have watched ministers, particularly the Prime Minister and the Secretary of State for External Affairs (Mr. Martin), go red in the face when they are asked embarrassing questions, and either decline to answer them or equivocate. We have seen this happen over and over again. We do not get the answers from the treasury benches to which we are entitled; we have to read United States newspapers and other publications.

I am not condemning all ministers and all departments. Some ministers are co-operative and go a long way in answering questions. I should like to single out the Minister of National Defence (Mr. Hellyer) in this respect for his co-operation concerning my questions about the Haines cut-off. He made this information available when he need not have done so. He did this on certain undertakings being given on my part and it seems to me the rest of the cabinet could be just as forthright. It seems to me that what the treasury benches might be doing is consulting with their consultants before they give an answer to these questions. Perhaps this accounts for the delay in answering questions. Perhaps these so-called consultants say to the ministers: I think we should release this much information but not that, because it would be politically undesirable. I am thinking of this patronage list, because that is precisely what it is.

Mr. Denis: On a point of order, I think the hon. member is looking at me. I am glad to hear he is looking after my interest. At the same time I may say I am a bit fed up with these innuendoes. May I remind him that the answer I gave to the house was an accurate answer. I was asked to produce a list for the guidance of the ministers of the crown. Such a list does not exist. In order to prove it was a document of mine, the hon. member for Grey-Bruce said instructions were given as to the use of "tu" and "vous". How could I know that any minister would be so closely related to any member of parliament and say "tu" or "vous"? How can one prove that such a minister could even write in French. This document is a personal document to speed up the work. It is in order to prepare letters for my signature.

Mr. Deputy Speaker: Order. I understand the minister is raising a point of order, and it does not seem to have been explained until now. I do not think we should engage in a debate at this time, and perhaps the hon. member for Yukon should be allowed to continue.

Mr. Denis: I rise on a point of privilege, Mr. Speaker. Do you think a member of parliament should not rise in his place when he is accused of doing such a thing? He would be surprised to know that this part of my personal document was copied from a privileged list of the Tory party. I do not blame anyone for that; I do not blame him.

Mr. Deputy Speaker: Order. I gather that it was a question of privilege rather than a point of order that the minister was raising. I suggest that the point has been made and the hon. member for Yukon who has the floor should be allowed to continue.

Mr. Nielsen: Thank you, Mr. Speaker. It seems to me—

Mr. Caouette: On the same question of privilege, Mr. Speaker, may I ask how it is that on that list which belongs to the Postmaster General the constituents who are mentioned are defeated Liberal candidates at the last election?

Mr. Deputy Speaker: Order, please. It seems to me that perhaps the minister had a question of personal privilege when he rose, but I do not see how the hon. member for Villeneuve has a question of privilege. It seems to me that if we continue this way we will engage in a debate at a time when we should really be considering a particular grievance which has been raised by an hon. member. I suggest that if other hon. members want to

take part in the debate after the hon. member has finished his speech, they will be given the opportunity to speak.

Mr. Denis: May I be allowed to insist on answering the hon. member for Villeneuve?

Mr. Deputy Speaker: I suggest that there was no question of privilege and it should not be answered. I recognize again the hon. member for Yukon.

[*Translation*]

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, even though the interruption of the hon. member for Villeneuve was out of order, it raised a point the Postmaster General (Mr. Denis) must comment on in view of its implications.

That is why I feel the Postmaster General should reply.

Mr. Deputy Speaker: Much as I appreciate the opinion given by the minister, the fact remains that the Chair has already stated that no question of privilege was involved and that decision stands.

However, I say again that if the Postmaster General wishes to reply to the allegation or comment on the facts referred to, he will have an opportunity to do so during the debate.

Mr. Caouette: On the point of order, Mr. Speaker. You called me to order saying that I did not have a question of privilege when I put a question to the Postmaster General who was speaking on the question of privilege he had raised.

I was speaking to that question of privilege and not on a question of privilege raised by myself.

[*Text*]

Mr. Deputy Speaker: The hon. member for Yukon.

Mr. Nielsen: Thank you, Mr. Speaker. It seems to me that my very innocent observations on this patronage list have drawn some blood. The Postmaster General (Mr. Denis) must have something of a guilty conscience, otherwise he would not have risen at all. There it is again for all to see. There is the patronage list that was addressed by the Postmaster General to his cabinet colleagues.

Mr. Denis: I did not deny that.

An hon. Member: He does not deny it.

Mr. Denis: On a point of order, Mr. Speaker; I never denied that he might have stolen a list or a document from my own office.

Some hon. Members: Oh, oh.

[Mr. Deputy Speaker.]

Mr. Denis: I might say that this document is for my personal use and has nothing to do with anything else mentioned by the hon. member for Yukon.

Mr. Deputy Speaker: Order.

Mr. Knowles: I rise on a question of privilege, Mr. Speaker, and I do so on behalf of all the members of this house. I do so under the provisions of standing order No. 17 which reads:

> Whenever any matter of privilege arises, it shall be taken into consideration immediately.

It is under standing order No. 17 that I am rising immediately, at this moment. The Postmaster General, whether or not he was in order in taking the floor, has admitted the existence of this list.

Some hon. Members: Resign, resign.

Mr. Knowles: My point of privilege will be readily apparent to all members who were in the house when we assembled at 2.30 this afternoon. At that time His Honour the Speaker gave a judgment on a point of privilege raised a few days ago by the hon. member for Grey-Bruce (Mr. Winkler). The hon. member for Grey-Bruce asserted, amongst other things, that such a document existed. The Postmaster General, following the Secretary of State, had denied the existence of such a document.

Mr. Denis: For the guidance of the ministers of the crown, not for myself.

Mr. Knowles: Mr. Speaker, I think I have the floor.

His Honour the Speaker divided his judgment, as I remember it, into two parts. One of those parts, the second part, related to a question of fact. He said that if there was a dispute as to fact between the minister on the one hand and the hon. member for Grey-Bruce on the other, this was something concerning which the hon. member for Grey-Bruce had to take the word of the minister. The matter, so far as this house was concerned, seemed to be ended at that point. The hon. member for Grey-Bruce insisted that there was such a document and that he had it, but because the Speaker said that on a question of fact we had to take the word of a minister, that seemed to end the point.

I now submit, Mr. Speaker, that the point is not ended, the issue is not closed. The Postmaster General has now admitted the existence of the document which the hon. member for Grey-Bruce referred to.

Mr. Denis: I never did.

Mr. Knowles: I realize that you, Mr. Deputy Speaker, are in the chair at the moment,

but my point of privilege is that, in all fairness to all the members of this house his honour the Speaker must now reconsider this matter and report again to the house upon it. We have been told by him we have to take the minister's word and that the hon. member for Grey-Bruce has no point of privilege so far as the existence of this document is concerned. Tonight, the Postmaster General has admitted the existence of the document. He declares it has some different purpose than we might have thought, but he admits the existence of the document. He states, in his own words, what the purpose of it has been. I say that Mr. Speaker should reconsider this matter. If this document is now admitted by all concerned to exist, reconsideration should be given to the matter of whether or not it should be tabled, either by the member for Grey-Bruce, who has a copy of it, or preferably by the Postmaster General himself who has now admitted its existence.

The Postmaster General now comes under the citation in the book which says that a minister of the crown, having made a reference to a document, must produce it. The Postmaster General made a reference to the document. He has admitted its existence. He has made certain statements as to the use of that document, and therefore the rules of the house now require him to produce that document. I ask that Mr. Speaker reconsider this very serious matter that has arisen in the midst of this debate tonight.

Mr. Winkler: I do not wish to add to what has been said by the previous speaker, but I do wish to request that the motive that was imputed by the Postmaster General to myself be withdrawn.

Mr. Deputy Speaker: Perhaps as the hon. member for Winnipeg North Centre (Mr. Knowles) has referred to the fact that a ruling was made earlier today by His Honour the Speaker, I am sure he will want to take into consideration the suggestions which have now been made by the hon. member.

Mr. Knowles: That will be satisfactory. I think the members of the cabinet must also consider the position of the Postmaster General in the light of this development.

Mr. Grafftey: And the Secretary of State.

Mr. Lambert: Mr. Speaker, there is one point that perhaps escaped your notice in the recent exchange, and that was the request of the hon. member for Grey-Bruce, (Mr. Winkler), that the Postmaster General withdraw certain words imputed against the hon. member for Grey-Bruce, in that he may have stolen the document. I personally heard those words and I would ask Your Honour to demand the Postmaster General to withdraw those words.

Mr. Deputy Speaker: There is no doubt that if the minister has suggested that another hon. member has been guilty of the theft of the document, he would want to withdraw these words, and I would suggest that perhaps the minister should be given an opportunity to withdraw his words.

[*Translation*]

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I have no objection to withdrawing any offensive remark that I may have made regarding the hon. member for Grey-Bruce (Mr. Winkler) who claims to have a document belonging to me. I do not know where he took it. I said that it might have been stolen. I regret having gone that far because even if this document belongs to me, I do not know where it comes from.

In any event, the hon. member thinks he is in possession of a document belonging to me.

[*Text*]

Mr. Nielsen: Well, Mr. Speaker, we can get back to the original point of departure here. I raised the matter of this document because it is a fact that on several occasions questions were asked of the Secretary of State and the Postmaster General with regard to it. I think that the whole business surrounding this matter is very strange indeed. I do not know why those on the other side would be so embarrassed to have one of their own documents tabled. It is a production of theirs. It has instructions directed to every executive assistant of every minister on the treasury benches, and I do not see what is embarrassing about it.

There are those who believe in patronage and those who do not. I for one do not. I will fight it wherever I see it, and the Postmaster General will see that if he looks through his files. I am afraid I cannot come to the same conclusion with regard to the treasury benches, particularly in the face of the existence of this document. I do not know why everybody is covering their eyes. I say, let the people of Canada get a look at the way the country is run and at the instructions the Postmaster General has given to his colleagues, whether it is for a reference, or a Christmas card list—

Mr. Denis: Yes.

Mr. Nielsen: —or whatever it is; but it does seem very strange indeed to see the name of every defeated Liberal candidate, including the name of my Liberal opponent in the Yukon, listed as a consultant.

Answers to Questions Incomplete

What are the people in the Yukon going to think when they know that the minister is going to consult the man who was defeated in the last election and who is named in this list? What is he going to consult him about? Obviously it is about appointments and contracts, and all the rest of the operations of the department. Why can the minister not say that? Why does he have to beat about the bush? Why does he have to call it a Christmas card list? We all know what it is.

I think I will pass from there, Mr. Speaker, to the answers I have heard from the Minister of National Health and Welfare when she was squirming, and I mean squirming, under the questions of the hon. member for Brome-Missisquoi (Mr. Grafftey) and the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon), as to the knowledge of Premier Lesage concerning the existence of a certain state of affairs with regard to the pension plan.

She knew that the premier of Quebec had already communicated with her, or she knew of his intentions with regard to the introduction of his own legislation. That is quite obvious from the answers she gave; yet she equivocated and back-tracked and did not come up with a direct answer. Yet all the press did—

Miss LaMarsh: On a question of privilege, Mr. Speaker, the member, whom I shall not even call an hon. member—

Some hon. Members: Shame.

Mr. Woolliams: Withdraw.

Mr. Deputy Speaker: Order, please.

Miss LaMarsh: The member has in the last few words told an absolute and utter untruth as though it were a fact. I ask him, in view of the fact that I have repeatedly said in this house the absolute opposite of what he has just averred, to withdraw it on his honour—

Some hon. Members: Oh, oh.

Miss LaMarsh: And under the rules of the house I ask him to accept my word.

Mr. Nielsen: On the question of privilege raised by the hon. lady—I certainly do not want to be so ungracious as not to refer to her as the hon. lady—I leave *Hansard* to speak for itself, and if the hon. lady has taken offence by what she construes to be statements of fact by me, then I am very sorry; but I must say the hon. lady knows what the facts are, and it seems passing strange that she did not tell us the whole story when questioned so closely on it.

An hon. Member: The truth squad.

[Mr. Nielsen.]

Mr. Nielsen: Yes, with the vast experience gained by the hon. lady in her activities on the truth squad in the last election she certainly should know the difference.

Mr. Deputy Speaker: Order. The hon. member should recognize he is now departing from the previous point of his remarks.

Mr. Nielsen: All I am trying to do is convince the members on the treasury benches that they should tell the truth directly, unequivocally and in a forthright fashion when answering our questions on orders of the day or on the order paper. It seems to me this is what we are not getting, and I am sure it will not go unnoticed, Mr. Speaker, that the ministers I have singled out have all just risen in their places. I hope, in the 40 minutes left, they will each take the opportunity of rising and answering some of the questions that have been asked over the past three or four weeks, in a fashion which is in keeping with truth, frankness and forthrightness, and which has been the habit of this house in the six years before that under the former government.

Mr. Deputy Speaker: Is the Minister of National Health and Welfare rising on the same grievance?

Miss LaMarsh: On a point of personal privilege, Mr. Speaker. I have, Mr. Speaker, said that the words spoken by the last speaker were not true. It is my understanding under the rules of this chamber that my word must be accepted, and I therefore must insist that the hon. member withdraw.

Mr. Nielsen: If the hon. lady on a question of privilege, Mr. Speaker, feels within her heart that I have said anything untrue about the way she has answered questions, then I would gladly withdraw.

An hon. Member: Let *Hansard* speak for itself.

Miss LaMarsh: Mr. Speaker,—

Mr. Deputy Speaker: Order. The rules are quite clear and I am sure the hon. member realizes he has to accept the statement made by another hon. member.

Mr. Grafftey: He has.

Mr. Deputy Speaker: Well, it was not too clear to me whether he had withdrawn or not. It was my feeling, to be perfectly candid, that the words he uttered were not really a withdrawal.

Mr. Nielsen: Mr. Speaker, I do not know how much farther I can go.

Miss LaMarsh: On the same point of privilege, Mr. Speaker, it is unfortunate that the hon. member now disgraces not only his party but his constituency—

Some hon. Members: Order.

Some hon. Members: Withdraw.

Miss LaMarsh: —since he is a member of this chamber, is bound by the rules, and has not indicated whether he is prepared to be bound by the rules and withdraw without equivocation something to which he appears to object. After speaking for half an hour by the clock on this subject he will not stand and say he withdraws any offensive material.

Mr. Nielsen: Mr. Speaker, what is it that the hon. lady wishes me to withdraw?

Mr. Deputy Speaker: Order. It is my understanding that the hon. member, according to what he told the Chair, had actually withdrawn any suggestion that he did not accept the word of the minister.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker—

Mr. Deputy Speaker: Is the hon. member for Kootenay West rising on the same grievance, the same subject?

Mr. Herridge: It is on the same subject, Mr. Speaker. The hon. member for Yukon (Mr. Nielsen) has raised a very important question this evening during this opportunity to deal with grievances. I have been a member of this house for 18 years—in fact, I have the longest service in this house of any member of the New Democratic party group—so I think I am at least recognized as having had some experience in the house. I say in all seriousness that never before in my experience in this house have the opposition been given so many contradictory, incomplete or evasive answers from the cabinet benches as they have during this session.

Some hon. Members: Hear, hear.

Mr. Herridge: I do not intend to refer to the incident that has just blown over as between that very kindly gentleman, the Postmaster General, and other members, and who is a little annoyed at being caught.

Some hon. Members: Hear, hear.

Mr. Herridge: It was obvious from his reply that the Secretary of State did not tell the facts to the house when he was questioned earlier this week on this subject. I wish also to mention, to illustrate my point—we have heard it repeated on a number of occasions—that the opposition were very concerned about the absence of the Minister of Agriculture (Mr. Hays) and the expectant minister of agriculture, the Minister without Portfolio (Mr. Tremblay), during the debate on agricultural policy a week ago today.

Strangely enough, the Minister of Agriculture has again vanished. Surely they do not hold auction sales at night time in Ottawa, under artificial light? I asked the Prime Minister (Mr. Pearson) a question about the absence of the minister because of the concern that was felt on the opposition side of the house. This concern was felt by all opposition parties. I asked the Prime Minister as to the whereabouts of the Minister of Agriculture last Tuesday and the Prime Minister replied:

> The Minister of Agriculture and his associate, having taken part in this debate on agriculture, left the house to attend engagements previously undertaken for the Minister of Agriculture with farmers of Canada in the west. They got in touch with the grass roots while the hon. member remained in the house.

Here this afternoon the minister admitted that he was attending an auction sale in Kingston on that day.

An hon. Member: A bull sale.

Mr. Herridge: The house was told by the minister that he did not receive a cent for taking part in this auction, but we must remember he was auctioning cattle for his brother's firm. There is rather a close relationship there. Anyway, we find out that the minister did not go to meet farmers in the west or to meet with the grass roots; he went to some board of trade or chamber of commerce meeting in Edmonton to replace the Minister of Trade and Commerce (Mr. Sharp). I have since heard that even that gathering did not think he was "Sharp" enough.

Some hon. Members: Oh, oh.

Mr. Herridge: This is a serious development in our parliamentary history, Mr. Speaker. Regardless of our differences, it has always been the practice of this house and in the country to respect the word of a member of the cabinet. When we can no longer respect the word of a member of the cabinet, democracy in this country is on the downhill grade.

Some hon. Members: Hear, hear.

Mr. Herridge: Mr. Speaker, before concluding I want to say—and I shall be very brief—that I consider it strictly improper for the Minister of Agriculture—who I wish were here—to use his influence as Minister of Agriculture to draw a large and curious crowd to his brother's auction sale.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order. I respectfully submit to the hon. member that he is now getting away from the grievance under discussion.

Some hon. Members: Oh, no.

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Mr. Deputy Speaker: Order. I think the Chair should be given an opportunity to express its point of view. The essence of the grievance put forward by the hon. member for Yukon (Mr. Nielsen) is that hon. members posing questions to the government do not receive appropriate or proper replies. My understanding of the grievance which the hon. member for Kootenay West is now submitting is that he is objecting to the conduct of the Minister of Agriculture. In the mind of the Chair this is essentially different from the grievance submitted by the hon. member for Yukon. If the hon. member who now has the floor can relate his comments to the grievance put forward by the hon. member for Yukon, he will be in order; otherwise he is obviously out of order.

Mr. Herridge: Mr. Speaker, I respect your opinion, but I was relating what I was saying to improper answers given by ministers in the house, and I was using this as an illustration of the answers of ministers. It is just as improper for the minister to attend an auction sale under these circumstances as it would be for the Minister of Finance (Mr. Gordon) to go out and sell bonds for a brother of his who controlled a finance house, or the Minister of Justice (Mr. Chevrier) to appear in court on behalf of a brother lawyer.

In view of these unfortunate incidents, which seem to have accelerated and increased in recent weeks, I do hope it will not again be necessary for the members on the opposition side of the house to raise this grievance. In conclusion, Mr. Speaker, let me say that I do hope the Minister of Agriculture will in future have a sense of dignity with respect to his office and a sense of his responsibilities to this house and to the people of Canada.

Some hon. Members: Hear, hear.

Mr. Deputy Speaker: Order. These remarks are obviously out of order.

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, the hon. member for Yukon (Mr. Nielsen) has raised, this evening, a most serious grievance which affects each and every member of every opposition party in this House of Commons because it concerns our individual rights as opposition members. As the hon. member for Kootenay West (Mr. Herridge) so ably said a few moments ago, not since he has been in this House of Commons has such dictatorial arrogance set into the treasury benches in such a short time.

Some hon. Members: Oh, oh.

Some hon. Members: Hear, hear.

[Mr. Deputy Speaker.]

Mr. Grafftey: I say, Mr. Speaker, that in a few short weeks, by intended actions, members of the government have sought to lessen the effective role of opposition members. While Mr. Lesage and the Liberals in the province of Quebec say there is never going to be any more patronage, what do we see in this House of Commons? We see a bland admission by the Postmaster General (Mr. Denis) that defeated Liberal candidates are to be consulted in every district in Canada in which they were defeated. But getting back to the original grievance and the pith and substance of the grievance raised by the hon. member for Yukon, what have we seen in this house? During the last election campaign what did the Prime Minister (Mr. Pearson) say? He went from coast to coast saying that one thing the government must be is forthright with the Canadian people. He said: We must give them the facts, we must let them know what the facts are, we must communciate the facts to the people so they can be partners in government.

What has happened? The members on the treasury benches, by assuming a role of dictatorial arrogance, have time and time again in the question period withheld the facts from opposition members. All we are asking tonight is that they be forthright with us and with the Canadian people in the way they said they were going to be during the election campaign. Why? Why waste the time of the house? Why did not the Postmaster General (Mr. Denis)—

Some hon. Members: Why? Why?

Mr. Grafftey: —admit the existence of this document in the first place, instead of wasting the time of all hon. members and the house as he has done? Let us be more specific, Mr. Speaker. As a member from the province of Quebec I took a very real interest in federal-provincial relations at the beginning of the session, in a non-partisan way. I felt that at this stage in our national development it was important for all hon. members to know the real facts in relation to many fields affected by federal-provincial relations, such as the pension plan, the municipal loans fund plan and the financial agreements. I put question after question to the Minister of National Health and Welfare (Miss LaMarsh), and I side with the hon. member for the Yukon (Mr. Nielsen). I do not know what tomfoolery she was up to tonight, but she was less than forthright with me, and no amount of brazen argument and talking on her part will cool us down this evening. The hon. lady got up on a question of thin-skinned privilege and could not even make her statement of privilege concise. Time after time during the debate on the pension scheme I put precise questions

to the hon. lady that demanded a yes or no answer or a one-sentence answer. Were the answers forthcoming? No.

I put questions on the municipal loans fund legislation to the Minister of Finance (Mr. Gordon) requiring a yes or no or one-sentence answer, in order to help those of us on this side of the house to study this matter conscientiously, so we could be an effective opposition. And, by the way, I note that the hon. lady is making tomfool, head-shaking movements. I suggest that dictatorial arrogance deserves a better reaction than that.

As I was saying, I put questions time and time again to the Minister of Finance in order that I might prepare myself to study and debate the municipal loans fund legislation. There were no answers. He would not get out of his seat. I put question after question to the Prime Minister (Mr. Pearson) in relation to the forthcoming federal-provincial meeting. There were no answers forthcoming. Then the Speaker had to remind me that these questions had already been dealt with and I was out of order, and he asked me to put my questions on the order paper.

So I placed on the order paper motions Nos. 19, 22 and 33 for the production of papers all relating to the pith and substance of these subjects, finance, the municipal loan fund legislation and so on, all of which come within the orbit of federal-provincial relations. I put these motions on the order paper on June 26, I believe, and the government accepted them and agreed to make the returns. In a few short weeks there is going to be a dominion-provincial conference but I have not been able to get answers from the ministry. I did what the Speaker said. I put them on the order paper, and I have not even got the basic facts to begin my study.

Some hon. Members: Oh, oh.

Mr. Grafftey: No amount of intervention will deter me. In 1957 every Canadian knew what it was like when the Liberals imposed closure in this house. This is a new type of closure. We are told to put things on the order paper. This is the government which slandered our prime minister. This is the government whose members went from coast to coast saying that the government should be forthright with the people.

I ask the Secretary of State (Mr. Pickersgill), who is sitting smugly in his seat, why is there this delay? Why is it that an opposition member who cannot get verbal answers to his questions has to wait three months for returns to simple questions? There is nothing tricky about the questions. They are simple matters of fact which I require, so that I can prepare myself to debate as a responsible opposition member before the federal-provincial conference takes place. In the name of all Canadians I ask, why is this new form of closure being imposed? I say to the Secretary of State that there is something more than Machiavellian practice behind this.

Miss LaMarsh: Will the hon. gentleman permit a question? I would be most grateful if he would tell me what questions he has put on the order paper directed to the ministry of health and welfare which remain unanswered.

Mr. Grafftey: On the orders of the day. As far as the order paper is concerned I do not believe my questions touched upon her department.

Some hon. Members: Oh, oh.

Some hon. Members: Shame.

Mr. Grafftey: I say that if you go back to the remarks I have already made in this debate you will find nothing contradictory.

Mr. Deschatelets: You should withdraw what you said.

Mr. Grafftey: The other day I got up in the house not knowing the facts at all—

Some hon. Members: Hear, hear.

Mr. Chevrier: You went out in a huff.

Mr. Grafftey: Hon. members jeer, but it so happens that an inmate in one of the federal penitentiaries was beaten up and thrown in the hole. We are told, and I admit it is rumour, that he was thrown in the hole for a number of days and did not receive medical treatment for several days. I got up and asked the Minister of Justice (Mr. Chevrier) a question in as polite terms as possible. I firmly believe that the minister was ready to answer the question and I bear no malice toward him in this regard, because I know he wanted to answer it. The same holds true so far as the Speaker is concerned. He was ready to listen to my point of order; but a jeering, screaming house howled me down and I did not want to participate in that type of debate.

When the people of Canada say today that they are worried about parliament, they are worried about parliament as an institution, and parliament as an institution is written large in the principles of Conservative thought. We are here to preserve those principles. All I ask is, why the delay? Ministers of the crown, including the Prime Minister, went from coast to coast saying they were going to be forthright. All we are asking now is that in the name of goodness they be forthright with opposition members and with the people of Canada. Answer

our questions, and I am sure by doing so you will make this institution a more worthy one in the eyes of the Canadian people.

[*Translation*]

Mr. Lucien Plourde (Quebec West): Mr. Speaker, I should like to express a few opinions from this corner of the house, with regard to the statement made by the hon. member for Yukon (Mr. Nielsen) concerning the Postmaster General (Mr. Denis).

If there is in fact a list, I think that we should look further to find out what was the purpose of it.

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I rise on a point of order.

Mr. Plourde: I have seen it and I have noticed that in my county—

Mr. Deschatelets: Mr. Speaker, I rise on a point of order. A moment ago, when the matter of an incident connected with that list came up, the Postmaster General wished to answer the hon. member for Villeneuve (Mr. Caouette), and if I understood the situation correctly, you mentioned to the minister that you would consider the matter at a later date. Therefore, I am of the opinion that if the Postmaster General was not allowed to refute some allegations from the hon. member for Villeneuve, the hon. member for Quebec West should not deal with the same matter at the present time.

[*Text*]

Mr. Douglas: Surely, Mr. Speaker—

[*Translation*]

Mr. Deputy Speaker: Order. I believe that the minister is misinterpreting the remarks of the Chair. I said that, in my opinion, there was no question of privilege.

But I feel at this point that if the hon. member for Quebec West does not limit his remarks to the matter under discussion he will depart from the grievance stated by the hon. member for Yukon.

Mr. Plourde: Mr. Speaker, I was just coming to the point. What I wanted to point out to the house before coming to the crux of the matter, is merely that if Mr. Jean Paul Nolin is the dispenser of patronage in my riding, we shall not accept that, and my constituents would be very annoyed about such a situation.

In the last few days, I noted that when we put questions to members of the cabinet, some of them seemed to take a malicious pleasure in telling us: Put your question on the order paper.

We are ready to follow that suggestion, but most of the time, answers seem to be given only to get rid of us. If such is the attitude which the government intends to take, I can assure the house that we will often take the floor and that the government will have to tell us the truth. If not, we will lose no opportunity to state a grievance such as that expressed in the house this evening by the hon. member for Yukon.

Mr. Speaker, if we cannot learn what that famous list was used for or if what we heard about it is true, the house should not dismiss this grievance without calling the attention of the Canadian people, in order to reveal the meddling of some legislators.

In fact, it is our duty to work for the general welfare of the country and the ministers should consult the elected members and not other individuals who have no authority in the eyes of the people.

Mr. Speaker, I would like to stress the views of my constituents in this respect, and if that list is eventually found to be of importance or useful, I will rise again to register my vigorous protests against those dispensers of patronage who have always existed in the past.

Mr. Speaker, we do not want such a situation to arise again in the future, and I hope that the incident will serve as a warning to the hon. minister, until such time as some other irregularity possibly pops up in other departments.

[*Text*]

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to speak on the same grievance. I occasionally put a question on the order paper, so I have had some personal experience of this question. A couple of weeks ago I thought that perhaps all the ministry had had inspiration, since they might have read a speech made by the Secretary of State for External Affairs (Mr. Martin), I believe down in a border city, in which he indicated that what was necessary in this very crucial matter of United States-Canadian relations was an end of platitude—away with platitude, let us have straight talk. At first I thought he had committed himself to an act of self-destruction. I realize, Mr. Speaker, there was perhaps a great awakening here, a great example for the minister.

I should like to think that we could have some straight talk. I can give an example of how lightly the government is answering these questions. My secretary made a mistake in compiling question No. 1,203. I assumed she knew the sex of the person involved, but she did not. So we got this question:

What office does Dallas Taylor hold in the government?

What is his age, place of birth—

And so on. As soon as I saw that, knowing that Dallas Taylor was a female, not a male, I immediately informed the clerk in charge of this.

Mr. Pickersgill: You asked her age.

Mr. Fisher: Yes, I asked the age. I understood from him that it was changed, but the government puts on the record for all Canada to see that poor Miss Taylor—I think it is "Miss"—is imperishably in print as a male. This is the kind of shoddiness hardly expected of a government.

If shoddiness is not bad enough, I should like to turn to another matter. This is what I would call a flippant reply made to me by the Secretary of State (Mr. Pickersgill), our house leader, a most august gentleman with a tremendous amount of responsibilities under his wing—and we all appreciate how hard he works at them. This type of answer is the kind of flippancy which really correlates with the arrogance earlier referred to. I asked question No. 1,202, which asked:

What office does Gordon Sheppard hold in the government?

Then it went on to ask what particular qualities of Mr. Sheppard led to his engagement. Part of the answer, as reported on page 3620 of *Hansard,* was:

In 1961, Mr. Sheppard co-founded Inter-Video Productions Limited to produce television programs and films. From 1961-1963 he was vice president and director of Inter-Video Productions Limited. Included among Mr. Sheppard's television productions was a unique C.T.V. program featuring Mr. Douglas Fisher, M.P.

This is effrontery, Mr. Speaker, when a minister allows an answer which I am sure will be taken by anyone reading it as, in effect, a ridicule of the hon. member involved.

I should like to turn to some other questions I have asked. I asked a question which the Minister of Justice (Mr. Chevrier) refused to answer on orders of the day. It related clearly to the F.L.Q. I was instructed by you, Mr. Speaker, to put it on the order paper. I put it on as a starred question, and despite the fact that it was elementary in its simplicity it stayed on the order paper for two weeks and into a third week. It asked the Minister of Justice whether the F.L.Q. was considered subversive. I complained about this to a friend of mine, and he replied: "You know the Minister of Justice; he probably thinks you are referring to the federation Liberale in Quebec". But my point is that there is an element of stall.

I would suggest to ministers, if they feel they are giving fair answers, that they examine some of the answers given to me to questions I have put on the order paper relating to the queen's publisher. I have great suspicions about the operation of that particular department, and have had for several years. It has nothing to do with the incumbent government or the previous government, but with the personnel and set-up there. This concern of mine is evidently shared by some Liberal members, including the hon. member for Carleton (Mr. Francis), who has also placed questions on the order paper. In almost every case where I asked a long series of questions I have been shrugged off or put off with the most evasive and minute of answers. I can remember the hon. member for Bonavista-Twillingate (Mr. Pickersgill), when he was the conscience of the house in his role as a member of the opposition, making much of the evasiveness of previous ministers. I once remember raising the question of the evasiveness of the Department of Transport when it was headed by Mr. Hees, and as a result of raising that issue I had the satisfaction of an assurance from the minister, and subsequently some good honest and direct answers.

I should like to ask hon. members supporting the government as well as the minister himself, to read some of the answers we have had from the Minister of Transport (Mr. McIlraith) this year. I ask them, have they really felt we are getting clear and direct answers to the sort of issues we raise? I insist that there is a real element of truth in the charge raised by the hon. member for Yukon (Mr. Nielsen), and we will get no better example of it than the kind of answers we have had throughout the session from the Minister of Transport. Lord knows, they are long enough, Mr. Speaker, but they are not clear and almost never relate to the question asked. If the minister wants some specifics I would ask him to look at some of the answers he has given.

One is on the question of run-throughs and the other is on the question of branch line abandonment. Answers of this kind are symptomatic of a government which assumes it will be in power for a long, long time and I think it is a little too early for such an assumption to be made. I should like to compliment some of the ministries whose answers in the main, have been direct. In this regard I can certainly say that in my opinion the Minister of Labour (Mr. MacEachen), the Minister of Citizenship and Immigration (Mr. Favreau), and the Minister of Trade and Commerce (Mr. Sharp) have been examples to some of their colleagues. I might say to the President of the Privy Council that, as one of the newer ministers, he might well consider some of the answers he gives which are so short as to be completely noninformative.

Answers to Questions Incomplete

I think a serious point has been raised, and if in some parts of my remarks I have allowed levity to creep in I apologize. I am serious as, I think, was the hon. member for Yukon. Already we see an attitude on the part of this government which goes back to days we thought had long gone by. It is almost as if, as one newspaperman put it to me, the events of 1956 and 1957 had not happened.

Mr. Eric A. Winkler (Grey-Bruce): In the few minutes which are left of today's sitting I thought that in view of what has taken place this evening it might be appropriate if I were to address myself to the house with reference to what we might expect in the course of the near future. I rise, as I did on another occasion, to say to the government that we on this side of the house, as the official opposition, are prepared to deport ourselves in a way which would do credit, as we have in the past, to the operation of parliament and the entire country.

An hon. Member: When are you going to start?

Mr. Winkler: I believe the time to proceed in the proper manner is now. This responsibility is not, in my view, that of the official opposition. I wish the Prime Minister were present this evening. I do not say this in any derogatory way, because I know the function he is attending. I wish he were present because in the light of events I believe the honest and proper course which should be followed now, so that we could present ourselves as a proper parliament to our country without the type of thing which has gone on since the opening of this parliament, should now take place. We should examine the facts; and I do so with trepidation in my heart, because it is not the duty of the whip of any party to rise in the house and make suggestions such as I have in mind this evening. But I am sure they are in the mind of the Prime Minister and of every member of this house. We all find ourselves here as a result of what the electorate has chosen to do. I may think that the electorate in one area might have chosen differently, just as my own views in this regard may be reciprocated. But that is beside the point. We are here in our own right.

I refer to the matter which was raised by the hon. member for Yukon (Mr. Nielsen) and which was introduced by myself at an earlier date. In fact, it was brought up before that by a member of the New Democratic party. I do not wish to go into specific detail, but I will merely refer to the seriousness of the situation which has developed as a result of the production of this document. On the day I rose to speak on the subject I quoted *Hansard* and said at that time that the Postmaster General (Mr. Denis) had misled the house. Because of the fact that I have a great deal of respect for the Secretary of State (Mr. Pickersgill)—I think he is aware of this—I said the Postmaster General had also misled the Secretary of State.

Then we had a situation where the Minister of National Health and Welfare (Miss LaMarsh) was participating in provincial matters. This was a gross error as far as the rights of the provinces are concerned.

Miss LaMarsh: I wonder if the hon. member would permit a question?

Mr. Winkler: I have two minutes. After I have finished I will certainly allow the hon. lady to ask her question.

Mr. Pickersgill: I think that since the hon. gentleman has changed the subject I have the right to rise on a question of privilege. I should only be a second. The Postmaster General did not mislead me in any way, nor did I mislead the house. If the hon. gentleman will read the motion which was made by the hon. member for Winnipeg North Centre (Mr. Knowles) he will find that the motion is extremely clear and specific. It refers to a document prepared by the Postmaster General—

Some hon. Members: Order.

Mr. Pickersgill: The hon. member raised a question affecting my personal reputation. He did it very nicely but, surely, since he suggested I was led into misleading the house I should be permitted to put the facts briefly on record.

Mr. MacInnis: On a point of order, Mr. Speaker, the house will not be surprised when I rise to remind you that the Secretary of State has once again risen to take part in a discussion without being formally recognized. There may have been a nod from you, but I did not see it. May I recall that one of my hon. friends rose six or seven times earlier today in an attempt to catch your eye on a question of privilege, but failed to do so.

Mr. Winkler: May I continue in the one minute left to me? I will terminate at the end of that time. I will continue by referring to the Minister of Agriculture along the same lines as were pursued by my hon. friend from Yukon. I do not say for one moment that the Prime Minister misled the house, because I do not think that would be a fair thing to say; but certainly, then, the Minister of Agriculture misled the Prime Minister in the statement he made today. There is an old phrase, possibly shopworn, which runs: "There is a tide in the affairs of men which, taken at

the flood, leads on to fortune." The fortune is ours, as Canadians. The responsibility that lies upon us is to discharge the business of this country and I believe the most important task which faces the Prime Minister tonight is to ask for the resignation of the three ministers to whom I have referred.

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

An hon. Member: On division.

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

The estimates of the following departments were first taken up and entered for consideration:

DEPARTMENT OF FORESTRY

1. Departmental administration including $24,000 for grants in aid of forestry research $1,060,700.

DEPARTMENT OF JUSTICE

1. Departmental administration including grants and contributions as detailed in the estimates $1,378,100.

DEPARTMENT OF NATIONAL DEFENCE

1. Departmental administration including authority notwithstanding section 30 of the Financial Administration Act, and subject to allotment by the treasury board, for total commitments of $2,529,570,600 for the purposes of votes 1, 5, 10, 15, 20, 25, 30, 35, 40, 45, 50, 55, 60 and 65 of this department regardless of the year in which such commitments will come in course of payment (of which it is estimated that $978,136,600 will come due for payment in future years) and authority to make recoverable advances under any of the said votes in respect of assistance rendered to the United Nations, any party of the North Atlantic Treaty Organization or any provincial or municipal government $3,432,000.

Proceedings reported.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the house leader, Mr. Speaker, if the order of business as outlined yesterday holds for tomorrow, Thursday and Friday?

Mr. Pickersgill: Yes, with one slight exception, sir. The Prime Minister has reminded me that he had begun to speak on a motion to set up a committee on procedure, and suggested to me that before we embark on the income tax bill again we should complete that debate, which I think there was some disposition to feel could be done fairly quickly. It seems to me, after this evening, it would be a very appropriate thing as the first item of business tomorrow.

It being three minutes after ten o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Wednesday, October 23, 1963

The house met at 2.30 p.m.

PRIVILEGE

MR. NIELSEN—ALLEGED UNTRUE RETURN TO MOTION FOR PAPERS

Mr. Erik Nielsen (Yukon): Mr. Speaker, I rise on a question of privilege which affects all hon. members of this house. It concerns a motion which was placed on the order paper by the hon. member for Winnipeg North (Mr. Orlikow) relating to the production of a certain list of instructions, or what have you, to the members of the cabinet by the Postmaster General (Mr. Denis). The Secretary of State (Mr. Pickersgill) and the Postmaster General have both denied the existence of this list, and in reply to the motion of the hon. member for Winnipeg North for the production of this list a nil return was tabled.

The matter has also to do with the statement of Your Honour in this house yesterday. Subsequent to the transpiration of these events, namely the denial of the Secretary of State and the Postmaster General of the existence of this document, and subsequent to the statement by Your Honour in the house yesterday, certain events took place last night which I think justify the reopening of the whole matter. Your Honour's statement dealt with the propriety of a private member tabling a document which was in his possession, and also dealt with the denials of the Postmaster General and the Secretary of State.

Last night, while Your Honour was absent from the chair, the matter of this list again arose. Your Honour will find recorded on pages 3882 and 3883 of last night's proceedings the undoubted admission by the Postmaster General that this list actually is in existence. Only one of these statements can be true. Either the document exists or it does not exist. We on this side of the house are convinced it does exist. I feel that since the remarks of the Postmaster General last night give a clear indication that the document does exist, there has been a deliberate misleading of the members of this house both by the Postmaster General and the Secretary of State.

Because of the very fundamental questions involved here, including the integrity of two cabinet ministers and the privileges of every hon. member in this house, in my view and in the view of several other members on this side of the house the matter deserves a more careful inquiry than it has received. We feel that these denials have been false. There should be an opportunity given to the members of this house to determine whether or not the document exists.

I move, therefore, seconded by the hon. member for Grey-Bruce (Mr. Winkler):

> That the matters raised in the statement made to the house this day—
>
> That is October 22.
>
> —be referred to the standing committee on privileges and elections, and that such committee be instructed to report its findings thereon to the house.

Mr. Speaker: If there is any other hon. member who would like to speak to this subject, I would be glad to listen.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I should like to say something about this question. I begin by saying that I am not enthused about sending this matter to the committee in the light of what happened to the last deliberations of that committee and the way the house changed the spirit of the recommendations made by that committee. I should like, however, to say something about this matter because it arises out of a motion for the production of papers which I moved last week. This motion was to the effect that an order of the house be issued for a list of consultants prepared in the office of the Postmaster General for the guidance of cabinet ministers, and copies of all correspondence between ministers of the crown and the consultants in each riding.

Sessional paper 243, dated October 17, 1963, the return of the Postmaster General to this motion No. 99, was to the effect there was no such list and, therefore, no such correspondence. Now, it seems obvious to me that what I was asking for was a list prepared by the Postmaster General, or at least in his department, and used by the minister or other cabinet ministers. I think that was pretty obvious. The minister said in his reply that there was no such list and, therefore, no such correspondence. Last night in this house the minister said a number of things, one of which, as reported on page 3883 of *Hansard*, was as follows:

> This document is a personal document to speed up the work. It is in order to prepare letters for my signature.

When the minister says "this document" he is in fact admitting that there is such a document, a fact which he denied in his return. Later on, as reported at page 3884 of *Hansard*, he said:

I might say that this document is for my personal use—

Yet, Mr. Speaker, in his return he said in fact there was no document and there had been no correspondence with any of the people concerned, the consultants mentioned. In the Winnipeg *Tribune* of October 8, 1963 there is a story concerning Rev. Fred Douglas, who was the Liberal candidate in the constituency of Winnipeg South Centre, and listing Mr. Douglas as the consultant in the constituency. Mr. Douglas is quoted as saying:

For the best information possible it seems logical that the government in power should continue to consult its constituency organizations—whichever government that happened to be.

Mr. Douglas has been listed as a consultant for his riding. Asked if he was in fact a consultant, Mr. Douglas said:

I am interested in the constituency and its welfare, and from time to time write letters. If people in the constituency want something I may bring it to the attention of the government.

Mr. Douglas said that he received notice that a new postal station was being considered and was asked if he knew anyone in the area suitable for the job. Here is a statement, Mr. Speaker, by a Liberal candidate in the last election to the effect that he was in fact written to by the department in connection with a postal station in the constituency. Yet in his return the minister said that there was no such list and no correspondence.

I do not know what good it will do to send this matter to the committee, Mr. Speaker. It seems to me that if members of parliament cannot get ministers to give an honest and forthright answer to questions asked of them it is going to be virtually impossible for this house to do the business which the members have been sent here to do. Surely the basis for a parliamentary system such as we have is that if a member of parliament asks a minister a question he should get an honest answer. You yourself, Mr. Speaker, and I think rightly so, last week insisted that a minister's statement must be accepted as being factual. Hon. members on this side would like to be able to follow this position and to know that when they ask a question and receive an answer the answer does contain all the facts. If as we go along we find out this is not so we will have no alternative but to continue to cross-examine and badger ministers, and I think this will certainly affect the work of the house. I would like to see this matter cleared up as quickly as possible.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, it seems to me that we spent a number of minutes last night, in fact more than an hour, on this subject and other matters affecting questions and orders in the house. While the hon. member who has just taken his seat has not dealt with the subject matter of the motion but has taken advantage of the motion, which was raised as a question of privilege, to discuss matters which are extraneous to it—

Some hon. Members: Oh, oh.

Mr. Orlikow: How extraneous?

Mr. Chevrier: Extraneous to this extent, that it seems to me that we in this house have other matters to deal with at this time which are of far more urgency and importance than the matter which has been raised just now.

Some hon. Members: Oh, oh.

Mr. Douglas: May I ask the minister whether he considers a matter relating to the veracity of a cabinet minister extraneous?

Mr. Chevrier: Having regard to the attitude to this question taken on more than one occasion by the hon. member, let me say to him that the Secretary of State made it quite clear, when the motion for production of papers came up on a former occasion, what the position was. I have nothing to retract from what I said a moment ago.

In any event, Mr. Speaker, let me say to you at once that as far as the motion is concerned we on this side have no objection whatsoever to the matter going to the committee on privileges and elections. On the contrary, we welcome it.

Mr. Speaker: The matter is not without a certain amount of difficulty and heat. It would appear in the first instance that this is a continuation of the debate last night. However, a question of privilege has been raised. I have given some thought to the questions raised last night and to the question of privilege raised today. It is, of course, my duty to say whether there is a prima facie case before I consider the motion moved by the hon. member for Yukon. If I may clear up some points of confusion I think it might be useful at this time to make a reasonably short statement to the house on how the Chair sees the matter.

At the opening of yesterday's sitting, I presented to the house my views concerning a question of privilege raised by the hon. member for Grey-Bruce in relation to the existence of a document in the office of the Postmaster General.

I may briefly summarize my views in regard to that question of privilege by saying that in my opinion the matter was, in effect, a dispute between two members as to allegations of facts and, therefore, a prima facie breach of privilege did not arise in regard thereto.

Last evening, the hon. member for Winnipeg North Centre rose on a question of privilege in relation to the same matter and, as reported at pages 3884-5 of *Hansard*, stated in part as follows:

I realize that you, Mr. Deputy Speaker, are in the chair at the moment, but my point of privilege is that in all fairness to all the members of this house his honour the Speaker must now reconsider this matter and report again to the house upon it. We have been told by him we have to take the minister's word and that the hon. member for Grey-Bruce has no point of privilege so far as the existence of this document is concerned. Tonight, the Postmaster General has admitted the existence of the document. He declares it has some different purpose than we might have thought, but he admits the existence of the document. He states, in his own words, what the purpose of it has been. I say that Mr. Speaker should reconsider this matter. If this document is now admitted by all concerned to exist, reconsideration should be given to the matter of whether or not it should be tabled, either by the member for Grey-Bruce, who has a copy of it, or preferably by the Postmaster General himself who has now admitted its existence.

The Postmaster General now comes under the citation in the book which says that a minister of the crown, having made a reference to a document, must produce it. The Postmaster General made a reference to the document. He has admitted its existence. He has made certain statements as to the use of that document, and therefore the rules of the house now require him to produce that document. I ask that Mr. Speaker reconsider this very serious matter that has arisen in the midst of this debate tonight.

At this juncture, I must say that I am not aware of having used certain words which were attributed to me by the hon. member for Winnipeg North Centre, namely, and I quote:

We have been told by him we have to take the minister's word and that the hon. member for Grey-Bruce has no point of privilege so far as the existence of this document is concerned.

What I endeavoured to say was that the question was, in effect, a dispute between two members as to allegations of facts.

While I do not wish to enter into a debate on this question, it might be helpful if I were to review a few of the proceedings leading up to the incident of last evening.

On Wednesday, October 16, 1963, the hon. member for Winnipeg North (Mr. Orlikow) proposed a motion in the following terms, namely:

That an order of the house do issue for a list of "consultants" prepared in the office of the Postmaster General for the guidance of cabinet ministers and copies of all correspondence between ministers of the crown and the "consultants" in each riding.

Whereupon, the Secretary of State (Mr. Pickersgill), as reported at page 3626 of *Hansard*, stated:

Mr. Speaker, I wonder could I raise a question of privilege with respect to this motion. I think Your Honour on reading it will see that the language of the motion is so obscure that it would not be possible for anyone reading the motion by itself—which is all that is before the house—to discern what the hon. gentleman was driving at. I have consulted the Postmaster General, who tells me that in his office no document of any description was prepared for the guidance of his colleagues, and therefore there could be no such document even if the motion were put.

Later on in the discussion the Postmaster General is recorded at page 3626 as having stated:

Mr. Speaker, the Secretary of State should know whether he has received such a list for his guidance, but I never sent out any list for the guidance of the Secretary of State or any other minister. It does not exist. Therefore I do not think we should answer in regard to something that does not exist.

The following day, Thursday, October 17, 1963 the hon. member for Grey-Bruce, rising on a question of privilege, held in his hand a document which he alleged to be the document that the hon. member for Winnipeg North sought to obtain by virtue of his motion.

It is a fact, of course, that the Postmaster General acknowledges the existence of a document that is kept in his office, but he contends that the document is for his own personal use. I would refer hon. members to page 3884 of yesterday's *Hansard*.

I need not refer again at this time to the discussion which arose last evening, but it seems to me that the debate which occurred last night brings us back to our original point of departure. The problem, as I see it, is a matter of debate. On the one hand it is claimed that there is no such document as described in the terms of the motion made by the hon. member for Winnipeg North while, on the other, it is contended that such document does exist, and the hon. member for Grey-Bruce exhibited a document in the house which he contends fits the terms of the motion made by the hon. member for Winnipeg North.

It is not the duty of the Chair, nor is he in a position to decide whether or not there is such a document. If the matter is debated the Chair cannot and must not participate therein. I need only remind hon. members that in this regard standing order 10 reads in part as follows:

Mr. Speaker shall not take part in any debate before the house.

Before terminating my remarks I might refer to part of the remarks made by the hon. member for Winnipeg North Centre wherein he states:

Question of Privilege

The Postmaster General now comes under the citation in the book which says that a minister of the crown, having made a reference to a document, must produce it.

At page 460, May's sixteenth edition, it is stated:

Another rule, or principle of debate, may be here added. A minister of the crown is not at liberty to read or quote from a dispatch or other state paper not before the house, unless he be prepared to lay it on the table.

In Bourinot's fourth edition at page 337 it is stated:

It is a parliamentary rule that when a minister of the crown quotes a public document in the house, and founds upon it an argument or assertion, that document, if called for, ought to be produced.

At page 338 of the same publication it is stated in part as follows:

A minister who summarizes a correspondence but does not actually quote from it is not bound to lay it on the table.

The effect of the same rule is to be found in section 2 of citation 159, Beauchesne's fourth edition, wherein in part it is stated as follows:

2. A minister of the crown is not at liberty to read or quote from a dispatch or other state paper not before the house, unless he be prepared to lay it upon the table.

There is, I suggest, a difference between referring to a document and the citing or reading from the same. Using these citations as my authority, it seems to me that the rule referred to by the hon. member for Winnipeg North Centre does not apply in this instance.

In conclusion I should like to say that it is not within the competence of the Chair to order any minister to produce a document that may or may not be in his office. In this regard I refer hon. members to a ruling of the Chair and a decision of the house thereon, which is to be found at page 237 of the *Journals*, April 28, 1952.

In my opinion, there not being a prima facie case of privilege, I do not feel that the motion as moved by the hon. member for Yukon is in order.

Mr. Nielsen: On this question Your Honour has made a ruling, but I remain quite convinced there is a very serious question here to be decided upon and to be inquired into further, concerning the veracity of the two ministers concerned. It therefore gives me very great regret that I must appeal your ruling.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, notwithstanding the appeal, perhaps I might be permitted to say that if the house would agree unanimously, without prejudice to the rules, to permit this matter to be referred to the committee on privileges and elections there would be no objection on the part of the government to having this done so that the truth can be established.

Mr. Nielsen: Mr. Speaker, in view of the fact that the Secretary of State is so bold as to suggest that he has no objection to having this go to the standing committee on privileges and elections I certainly do not wish to force the matter, but I feel that the house should vote on the matter as ruled upon by Your Honour.

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

Some hon. Members: Yea.

Mr. Speaker: Those opposed will please say nay.

Some hon. Members: Nay.

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

And more than five members having risen:

Mr. Speaker put the question as follows:

"The question before the house is an appeal from a ruling of the Chair which is as follows:

"The hon. member for Yukon (Mr. Nielsen), rising on a question of privilege, referred to certain proceedings of the house and proposed that such matters be referred to the standing committee on privileges and elections. The Chair, having decided that the substance of the matters raised was in essence a dispute between two hon. members as to allegations of facts, ruled that the proposed motion did not raise a prima facie question of privilege. Whereupon the hon. member for Yukon appealed to the house from the decision of the Chair."

The house divided on the question: Shall the Speaker's decision be sustained? And the decision of the Chair was sustained on the following division:

YEAS

Messrs:

Addison	Chevrier
Armstrong	Choquette
Asselin (Notre Dame de Grace)	Chretien
Asselin (Richmond-Wolfe)	Côté (Chicoutimi)
Badanai	Côté (Longueuil)
Basford	Cowan
Batten	Crossman
Bechard	Cyr
Beer	Davis
Benidickson	Deachman
Benson	Deschatelets
Berger	Drury
Blouin	Dube
Boulanger	Dupuis
Brown	Emard
Byrne	Ethier
Cameron (High Park)	Eudes
Cantin	Favreau
Cardin	Forest
Caron	Forgie
Carter	Frenette
Cashin	Garland
Cnapdelaine	Gelber
	Gendron
	Girouard

Gordon
Granger
Gray
Greene
Groos
Guay
Habel
Haidasz
Hahn
Harley
Hays
Hellyer
Honey
Jewett, Miss
Kelly
Lachance
LaMarsh, Miss
Lamontagne
Laniel
Laverdiere
Leduc
Lessard (Lake St. John)
Macaluso
Macdonald
MacEachen
MacNaught
McIlraith
McMillan
McNulty
McWilliam
Martin (Essex East)
Matheson
Matte
Mitchell
Moreau
Morison
Mullally
Munro
Nicholson
O'Keefe
Olson
Ouellet
Patterson
Pearson
Pennell
Pickersgill
Pilon
Regan
Richard
Rideout
Rinfret
Robichaud
Rochon
Rouleau
Roxburgh
Ryan
Sauve
Sharp
Tardif
Teillet
Temple
Thompson
Tremblay
Tucker
Turner
Walker
Watson (Chateauguay-Huntingdon-Laprairie)
Whelan—116.

NAYS

Messrs:

Alkenbrack
Balcer
Baldwin
Beaule
Belanger
Bell
Bigg
Brewin
Cadieu (Meadow Lake)
Cameron (Nanaimo-Cowichan-The Islands)
Cantelon
Caouette
Casselman, Mrs.
Churchill
Clancy
Cooper
Crouse
Danforth
Diefenbaker
Dinsdale
Dionne
Doucett
Douglas
Fane
Fisher
Fleming (Okanagan-Revelstoke)
Forbes
Gauthier
Grafftey
Gundlock
Hales
Harkness
Herridge
Horner (Acadia)
Howard
Howe (Hamilton South)
Howe (Wellington-Huron)
Irvine
Jorgenson
Kennedy
Kindt
Knowles
Lamb
Langlois
Laprise
Latulippe
MacEwan
MacInnis
MacLean (Queens)
Macquarrie
MacRae
McBain
McIntosh
Madill
Mandziuk
Martineau
Millar
Monteith
Moore
More
Muir (Cape Breton North and Victoria)
Muir (Lisgar)
Nasserden
Nesbitt
Nielsen
Noble
Nowlan
Nugent
Orlikow
Pascoe
Paul
Peters
Pigeon
Plourde
Prittie
Pugh
Rapp
Rheaume
Ricard
Rondeau
Rynard
Scott
Simpson
Skoreyko
Slogan
Smith
Southam
Starr
Stefanson
Stenson
Thomas
Valade
Vincent
Watson (Assiniboia)
Webb
Webster
Weichel
Willoughby
Winch
Winkler—100.

Division

Mr. Nielsen: Mr. Speaker, since the Secretary of State, on behalf of the government, has agreed to the matter going to a committee I should like, with unanimous consent of the house—

Some hon. Members: No.

Mr. Nielsen: Now, if hon. members will hear me out instead of trying to howl me down—

Mr. Speaker: Order. May I suggest to the hon. member for Yukon that he ask a question later, at the proper time.

Mr. Nielsen: I should like, with unanimous consent of the house to re-present my motion, seconded by the hon. member for Grey-Bruce (Mr. Winkler) which seems to be concurred in by members on the government benches.

Mr. Speaker: Order. This is not the time to do that. There will be an opportunity later.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I had intended to move the motion which apparently the hon. member for Yukon was attempting to move. Do I understand that there is unanimous consent?

Some hon. Members: No.

Mr. Speaker: I have just indicated to the hon. member for Yukon that this is not the time to move this motion. There will be an opportunity later.

[*Later:*]

Mr. Nielsen: In view of the statement made by the Secretary of State that he would like the house to get at the truth of the matters raised during our previous discussion, and in the light of the fact that he stated on behalf of the government that unanimous consent would be given to such a motion, I move, with unanimous consent, seconded by the hon. member for Grey-Bruce:

That the matters raised and the statement made in the house on October 22, 1963 by Mr. Speaker be referred to the committee on privileges and elections and that the said committee be instructed to report its findings thereon to the house.

The wording is the same as the wording of the previous motion.

Mr. Speaker: Before I put the motion to the house, unanimous consent must be obtained. Does this house give unanimous consent?

Some hon. Members: No.

Maritime Trusteeship Proclaimed

Mr. R. N. Thompson (Red Deer): With the unanimous consent of the house I move, seconded by the hon. member for Labelle (Mr. Girouard):

That the subject matter of motion No. 99 moved on October 16 by the hon. member for Winnipeg North which read:

"That an order of the house do issue for a list of consultants prepared in the office of the Postmaster General for the guidance of cabinet ministers and copies of all correspondence between ministers of the crown and the consultants in each riding."

—be referred to the standing committee on privileges and elections and that the standing committee be instructed to report its findings thereon to the house.

Mr. Speaker: Does the house give unanimous consent?

Some hon. Members: Yes.

Mr. Nielsen: On a point of order, I did not hear Your Honour make any ruling on the motion which was put by me. It seems to me that unanimous consent of the house was given to my motion.

Some hon. Members: Oh, oh.

Mr. Nielsen: I see the Secretary of State shaking his head to indicate that it was not, but I did not hear Your Honour rule on my motion.

Mr. Speaker: I will do so right now. Unanimous consent was not given; therefore the hon. member's motion was unacceptable.

Mr. Real Caouette (Villeneuve): Mr. Speaker, it is just a farce the way things are shaping up around this matter. One member moves a motion without obtaining unanimous consent of the house to its acceptance, then another member moves exactly the same motion and will obtain consent.

Mr. Chevrier: No, he has not.

Mr. Thompson: With due respect to the hon. member for Villeneuve, it is not the same motion at all.

LABOUR RELATIONS

GREAT LAKES—ANNOUNCEMENT OF PROCLAMATION OF ACT AND NAMING OF TRUSTEES

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, I wish to advise hon. members that the act to provide for the placing of the maritime transportation unions of Canada under the management and control of trustees has been proclaimed today.

The governor in council, Mr. Speaker, has established the membership of the board of trustees. The chairman of the board of trustees is to be Mr. Justice Victor Leonard Dryer of Vancouver, a member of the supreme court of the province of British Columbia.

[Mr. Speaker.]

Mr. Justice Dryer was created a Queen's Counsel in 1957. He was a member of the legal firm of Ellis, Dryer and McTaggart in the city of Vancouver. He was active for many years in labour relations, particularly representing unions in collective bargaining and conciliation work.

The second member of the board of trustees is Judge Rene Lippe, of the magistrate's court, Montreal. Judge Lippe has a wide reputation as an arbitrator, mediator and conciliator. He is a permanent arbitrator under certain collective agreements in the province of Quebec. Recently he was the mediator in the settlement of the longshoremen's strike in Montreal, and he has been appointed to investigate all trust funds being held for the benefit of longshoremen in Montreal, Quebec city, Three Rivers, Halifax and Saint John, New Brunswick.

The third member of the board is Mr. Charles H. Millard of Toronto. Mr. Millard has been for many years associated with the united steel workers of America and served as Canadian congress of labour vice president for many years. As a representative of the Canadian congress of labour he played an important part in the development of international trade unionism following world war II, as an alternate member of the executive board of the international confederation of free trade unionism. He retired last year as director of organization for the international confederation of free trade unionism.

I am pleased to advise, Mr. Speaker, that all these gentlemen have agreed to accept these heavy responsibilities and will meet in Ottawa today to consider their future activities.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I know the house will welcome the announcement that has been made and the quality of the membership that composes the board of trustees. I would add that we in this parliament, without regard to party, will uphold the rule of law in this country and will join together to ensure that the laws passed by parliament, the representatives of the people, shall not be flouted or mocked by the cavalier actions of anyone, however powerful.

I want the house to know that this is our attitude. We have pressed the government for action for several weeks. They have found that when an immovable inertia meets an irresistible force the result is lawlessness and anarchy. The government has acted now, we say belatedly; but belatedly or not, this parliament is united.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the government's action in proclaiming the trusteeship legislation and

appointing the trustees has not come a bit too soon. Last Monday evening I said that I for one was not prepared to criticize the government for the considerable time which it took in canvassing the possibility of a private trusteeship. But since that had apparently failed I felt then, as I feel now, that the government's record for decisiveness depended on what it did at this time. I am glad that the government has at last acted in this regard, because we have known since last Friday that the men have been ordered to walk off the ships. When I asked the Prime Minister the day before yesterday whether the government would consider setting up a government control over the shipping industry, he said, as reported at page 3815 of *Hansard*:

—I hope that the situation tomorrow will not require that kind of solution.

Well, "tomorrow" has come and gone and the situation is not better; it is worse. I think the government has not moved any too soon, because if it had delayed any longer the situation would have got entirely out of hand.

I think the trustees who have been appointed will commend themselves to most people in Canada. I am not familiar with the chairman, although I understand he has a good reputation. Judge Lippe is well known in the mediation of labour disputes; he has a good reputation and a good record of achievement. Mr. C. H. Millard, who has been absent from Canada for a number of years acting as world secretary of the international confederation of free trade unions, has gained a wide experience in the trade union movement throughout the free world, and I think he will bring to this task understanding and decisiveness.

But I want to say to the government that the personnel of this board, and their effectiveness, will now be dependant upon the support which they get from the government. They face a very difficult situation. Many of the S.I.U. locals have already taken votes not to return to their ships. This board of trustees will have to make some very difficult decisions. They will first of all have to separate the leadership of the S.I.U. from the membership. They will then have the task of trying to persuade the men to go back on the ships. If the men defy them I want to say to the government that we in this party will be asking the government to take the necessary steps to appoint a government controller over shipping so that this board of trustees is not left in an impossible situation.

I want to assure the government that any steps they take to re-establish shipping on the great lakes will have our support. We only hope they will neither drag their feet nor pussyfoot, but will deal with this situation aggressively, as the present situation in Canada urgently demands.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, we welcome the announcement made by the Minister of Labour (Mr. MacEachen) that the union trusteeship has come into force and will become an accomplished fact.

It was also mentioned that Mr. Millard would be one of the trustees. I had the privilege of meeting that smart union leader in northwestern Quebec and in northern Ontario. That man who first earned the confidence of the labour movement is now deserving of the confidence of the Canadian government.

The trustees will face impediments because when you take into consideration the dealings of Mr. Banks' organization in Canada, it is not too reassuring.

I think it is time for the government to appoint men of ability to tame those agitators in the seamen's unions as well as in various sectors of our economy.

Mr. Speaker, our group is perfectly satisfied with those appointments, and we think that under the circumstances, the government acted in the interests of the Canadian nation.

Mr. Marcel Lessard (Lake St. John): Mr. Speaker, I was pleased to hear the statement made by the Minister of Labour (Mr. MacEachen) to the effect that the trusteeship has been proclaimed today and that the three trustees have taken up their duties.

We from the province of Quebec especially welcome the appointment of Mr. Justice Rene Lippe. We know him well since we had the privilege to see him at work during various labour disputes.

Mr. Speaker, I am of the opinion that all hon. members recognize now the importance of the task entrusted to these three trustees. In fact, this is an extremely delicate and difficult job, pregnant with responsibilities and consequences, considering the actions that these men will be called upon to take in order to settle the dispute within the labour unions, since this trusteeship that is being applied today constitutes a precedent which may likely recur in the future.

It is therefore essential that those three trustees be very careful in the way they carry out their duties. They will have to enforce the law in all fairness and try not to become a third dictatorship, because, according to an item published in a daily paper this morning, one of the seafarers who are at the basis of this conflict stated that when the men chose the dictatorship imposed by the union leader, they had the choice

between two dictatorships that of the Canada Steamship Lines or that of Hal Banks, and they chose the one who paid them most.

Therefore, Mr. Speaker, I think that all hon. members in this house will have to keep a close watch so that this trusteeship does not become a third dictatorship, but rather a solution to this one problem.

I believe that we should also draw the attention of the trustees and of the house to the fact that those seamen are not the only guilty party, that they are not solely responsible for the present situation and that, if there has been a dictatorship of the shipping companies on the great lakes, this trusteeship will have to ensure that such company dictatorship does not repeat itself. Indeed, it will even have to take positive sanctions against the Canada Steamship Lines, which contributed to the dislocation of the existing order and tried to evade the law of this country.

[*Text*]

EXTERNAL AFFAIRS

CARIBBEAN—PROVISION OF ADDITIONAL RELIEF SUPPLIES

Hon. Harry W. Hays (Minister of Agriculture): On October 10, 1963 the Acting Prime Minister informed the house that the Canadian government was making available to the Canadian Red Cross Society an amount of $20,000 for relief to the Caribbean areas suffering from the effects of hurricane Flora.

I am pleased to inform the house that as an additional measure of assistance a total of 1,150,000 pounds of skim milk powder is to be provided by Canada to certain international relief agencies for use in the affected areas. Of the total quantity one million pounds is being made available to the United Nations international children's emergency fund, known as UNICEF, and 150,000 pounds is being provided to the Canadian Red Cross Society. Of this latter amount, 15,000 pounds has already been airlifted to the area.

It is understood that in addition to the Canadian government's donations to this area various Canadian individuals and firms have made both direct and indirect contributions to those suffering from the effects of this disaster.

[*Later:*]

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I ask the Secretary of State for External Affairs whether any further decisions have been reached with reference to assistance to the people of the Caribbean areas whose lands have been devastated by tornadoes? The minister said this was being investigated and some decision would be reached fairly soon.

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, the hon. gentleman apparently must have been busy at the time, because on motions the Minister of Agriculture made a statement that covered this question.

Mr. Douglas: I am aware of the statement about the butter—

Mr. Martin (Essex East): Skim milk.

Mr. Douglas: —or milk powder, but I was wondering whether the much wider field of assistance has been investigated, and whether the Red Cross have been contacted to see if there is any clothing and other supplies needed by the people in the devastated areas.

Mr. Martin (Essex East): Mr. Speaker, in these matters my hon. friend may be assured that the government is in touch with the Red Cross, but there is nothing I can add to what the Minister of Agriculture has said and to what has been said by me on other occasions.

[*Later:*]

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, I should like to ask the Minister of Agriculture a question. The minister has just announced the shipment of milk products to the areas stricken by hurricane Flora. Could the minister tell the house how much that shipment will cost?

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): No, Mr. Speaker, I could not give the exact cost. I would be glad to take the question as notice and give this information to the hon. member tomorrow.

QUESTIONS

[*Translation*]

Mr. Yvon Dupuis (Parliamentary Secretary to Secretary of State): Mr. Speaker, I should like to inform the house that we shall, today, answer the questions bearing the following numbers: 1,040, 1,214, 1,230, 1,231, 1,246, 1,249, 1,269, 1,283, 1,293, 1,296, 1,298, 1,300, 1,305, 1,319, 1,327, 1,336, 1,337, 1,340, 1,355, 1,357, 1,363, 1,380, 1,384, 1,388, 1,389, 1,395, 1,402, 1,403, 1,404 and 1,408.

[*Text*]

If Your Honour would be good enough to call starred questions Nos. 1,206, 1,373, and 1,418, I would ask that all the remaining questions be allowed to stand.

(Questions answered orally are indicated by an asterisk.)

USE OF TELEPHONE WIRE TAPPING EQUIPMENT

Question No. 1,040—**Mr. Orlikow:**

Has any department of the government (including the R.C.M.P.) equipment which is used for the tapping of telephone wires and, if so (a) what departments (b) for what purpose, and under what authority is this equipment used?

Mr. Pickersgill: The policy of this government, and of previous governments, has been to decline to answer questions of this order as being contrary to the public interest, and there is no intention of changing this policy.

This policy is illustrated by the answer made to a similar question on February 26, 1962. See debates of the House of Commons, 1962 session, volume II at page 1245.

*C.N.R.—USE OF BILINGUAL BILLS AND POSTERS

Question No. 1,206—**Mr. Ricard:**

At what approximate date will all the unilingual bills and posters now used in the stations, railway cars and other vehicles of the Canadian National Railways be replaced by bilingual bills and posters in order to implement the suggestions made to the Minister of Transport in letters addressed to him on June 5 and 18 and on July 23, 1963?

[*Translation*]

Mr. Cantin: The management of the Canadian National Railways advise us that the company is now dealing with all aspects of this situation, and that the memorandum regarding bilingualism in the company, tabled in the house on Friday, October 4, indicates the policy and progress made in this regard.

[*Text*]

MAINTENANCE OF RAILWAY TRACK, CAMP BORDEN

Question No. 1,214—**Mr. Madill:**

1. Has the government awarded a contract for the maintenance of the five and one half miles of government owned railway track in camp Borden and, if so, which company has received the contract, and at what annual price?

2. What assurance has the government that the cost of the maintenance will not increase from year to year, and that the standard of maintenance will be kept at a level comparable to that when the work was undertaken by four men employed by the Department of National Defence.

3. Is the government planning to contract out any other work at camp Borden that is now being done by civilian employees of the defence department and, if so, what security of employment will be offered to the present employees?

4. Was the foreman who served for many years retained and, if so, at what rate of pay?

Answer: 1. No.

2. The department has no assurance that costs of maintenance will not increase from year to year as such costs are related to the price of materials and costs of labour.

3. No.

4. The employee in question is still employed as track foreman at the rate of $2.03 per hour.

CHURCHILL, MAN.—SUGGESTED DIVERSION OF RIVER

Question No. 1,230—**Mr. Simpson:**

1. Does the government plan to investigate the feasibility of creating a salt water seaport at Churchill, Manitoba, by a diversion of the flow of the Churchill river?

2. Has anyone proposed such a project to the present government or to any government department and, if not, will the government investigate the feasibility of such a project in order to bring about an extension of the shipping season at the port of Churchill?

Mr. McIlraith: 1. No formal proposal of a project to create a salt water seaport at Churchill, Manitoba, by a diversion of the flow of the Churchill river has been made to the present government or to any government department. Brief reference to this matter appears in a report of the committee on Manitoba's economic future entitled "Manitoba 1962-1975" (section X, ch. 5, page 19) which reads as follows:

A more direct attack on the problem is represented by a proposal to divert the river at an estimated cost of $8 million, to flow into the bay south of the present townsite. This project would eliminate slush ice from the harbour and, at the same time, increase the salinity of harbour water and slow down freezing. This alternative also should be seriously studied.

On the assumption that such a proposal would involve works which would be situated within the limits of Churchill harbour, the national harbours board has been asked to acquaint itself with any such proposal and to get further details from the committee on Manitoba's economic future.

2. See answer to part 1 above.

COMMITTEE ON AGRICULTURAL DEVELOPMENT, YUKON TERRITORY

Question No. 1,231—**Mr. Nielsen:**

What progress has been made by the committee on agricultural possibilities and development in the Yukon Territory since its establishment in 1961, and what recommendations have been made by the committee with respect to agricultural development in the Yukon?

Answer: This committee was established in 1961 following a request from the council of the Yukon Territory for a study of the agricultural possibilities of the territory. Its report is at present being considered by the departments of agriculture and northern affairs and national resources and in due course the conclusions reached will be transmitted to the council.

Questions

NORTHERN TRANSPORTATION COMPANY
EMPLOYEES

Question No. 1,246—**Mr. Rheaume:**

1. What is the total number of persons employed by the Northern Transportation Company in the Northwest Territories during the navigation season?
2. What is the total yearly payroll for all staff working in the N.W.T. during the navigation season?
3. How many employees work at or out of each of the following locations in the N.W.T. (a) Bell Rock (b) Yellowknife (c) Hay River (d) Inuvik (e) Tuktoyaktuk?
4. What are the various job classifications and salary levels for each classification broken down for each of the communities listed in part 3 above?
5. How many of the persons employed by N.T.C. during the transportation season in the N.W.T. are residents of the N.W.T.?
6. How many local people of Indian or Eskimo origin are employed during the current shipping season in the N.W.T.; what are their job classifications giving where they are located or work out of?

Answer: 1. 353.

2. $920,533.

3. Bell Rock, 88; Yellowknife,–; Hay River, 67; Inuvik, 14; Tuktoyaktuk, 158; Bear River, 26.

4. The various job classifications for each of the communities listed above are enumerated in the three page attachment. Salary rates are considered private information which it is not customary to publish.

5. 82.

6. Labourers

Bell Rock	16	
Hay River	28	
Bear River	2	
Tuktoyaktuk	9	55
Watchman		
Bell Rock	1	1
Forklift operators		
Bell Rock	2	2
Apprentice deckhand		
Bell Rock	1	1
Deckhands		
Bell Rock	2	
Hay River	1	
Inuvik	1	4
Pilots		
Bell Rock	1	
Hay River	1	
Inuvik	1	3
Apprentice pilot		
Bell Rock	1	1
		67

Job classification—item 4

Bell Rock

Classification	Total
Masters	3
First mate	2
Second mate	2
Ch. eng.	3
Second eng.	3
Purser	2
Cook	2
Pilot	1
App. pilot	1
Oiler	1
Deckhand	9
App. deckhand	2
Mechanic	2
Ass. mechanic	1
Electrician	1
Carpenter	1
Forklift oper.	5
Truck driver	5
Checker	2
Labourers	12
Casual labourers	13
Cook	1
Second cook	1
Bullcook	1
Cookee	1
Dishwasher	1
Kitchen help	2
Radio oper.	2
Office clerk	2
Storekeeper	2
Watchman	2
	88

Inuvik

Master	1
Ch. eng.	1
Second eng.	1
Cook	1
Pilot	1
Deckhand	2
Checker	1
Forklift oper.	1
Casual labourers	5
	14

Hay River

Master	2
First mate	2
Second mate	1
Ch. eng.	2
Second eng.	2
Purser	2
Cook	2
Pilot	2
Oiler	2
Deckhand	6
App. deckhand	2

Job classification—item 4

Hay River

Classification	Total
Steward	1
Mechanic	1
Ass. mech.	1
Electrician	1
Equip. oper.	1
Pumpman	1
Checker	1
Labourer	1
Office clerk	2
Casual labourers	31
Casual watchman	1
	67

Bear River Rapids

Master	1
Ch. eng.	1
Cook	1
Deckhand	1
Foreman	2
Mechanic	1
Truckdriver	4
Forklift oper.	2
Checker	1
Handyman	1
Labourer	8
Cook	2
Office clerk	1
	26

Tuktoyaktuk

Master	3
Chief eng.	3
Second eng.	3
Third eng.	3
Fourth eng.	3
Ass't. eng.	13
Standby eng.	1
Ch. officer	3
Second officer	4
Third officer	4
Medical officer	1
Chef	1
Cook	4
Chief steward	2
Steward	10
Baker	2
Second cook	2
Bullcook	1
Cookee	2
Kitchen help	1
Storekeeper	4
Ass't. storekeeper	1
Electrician	5
Electronics	3
Bosun	4
Bosun mate	2
Sailor	18

Job Classification—Item 4

Tuktoyaktuk

Classification	Total
Fireman	8
Seaman	9
Utility man	2
Wiper	1
Mechanic	1
Cat. oper.	1
Forklift oper.	1
Pumpman	2
Handyman	3
Radio oper.	2
Office clerk	1
Foreman	1
Watchman	1
LCM oper.	1
Labourers	9
Casual labourers	12
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PROMOTIONAL COMPETITION, LANCASTER PARK

Question No. 1,249—**Mr. Thompson:**

1. Was a promotional competition carried out for the position of Technician 1 at No. 7 R.C.A.F. Depot, Lancaster Park, in or about the month of September, 1962 and, if so, who was declared the successful candidate in this competition?

2. Has the successful candidate been appointed to the position in question and, if not, for what reason?

Answer: 1. Yes. Mr. Thomas Ray Whiteman, 8624-80 street, Edmonton, Alta.

2. No. The Department of National Defence decided not to request that an appointment be made from this eligible list at the present time.

CRITERIA FOR DESIGNATED AREAS

Question No. 1,269—**Mr. MacLean (Queens):**

1. What are the criteria under which a national employment service area qualifies as a designated area?

2. What tax incentive and winter works measures apply to such areas?

3. In which provinces have no such areas been designated?

Mr. MacEachen: 1. Under the established criteria, a national employment service area qualifies as a designated development area provided:

(a) it has been classified by the Department of Labour as a labour surplus area for one half or more of the summer months (May to October) during the past eight years; and it has experienced an employment increase of less than one half the national average over the same period; or

(b) it has been classified by the Department of Labour as a labour surplus area for one third or more of the summer months (May

to October) during the past eight years; and it has experienced an employment decrease over the same period; or

(c) it has been classified by the Department of Labour as a labour surplus area for one half or more of the summer months (May to October) during the past three years; and it has experienced an employment decrease in each one of the past three years.

(d) However, an area shall not be designated if the average monthly national employment service registrations for the three months of May, June and July, expressed as a percentage of the total number of paid workers in the area,

(i) is less in the current year than in the preceding year and less in the preceding year than in the year preceding that year, and

(ii) is less in the current year than in the year preceding the preceding year by at least 45 per cent and the area would not, if the three months of May, June and July in the current year were considered to be a single month, have been classified by the Department of Labour as a substantial labour surplus area for that month.

2. Three tax incentives are proposed for designated development areas. These measures will become effective as soon as the necessary amendments to the Income Tax Act have been passed by parliament.

(a) A taxpayer in computing income for income tax purposes will be allowed to exclude the income earned by a certified new manufacturing and processing enterprise during the period of 36 months after it commences operations. In order to qualify, a new business must begin commercial operations during the 24 month period following the date of enactment of the amendments to the Income Tax Act. The date of commencement of commercial operations will be certified by the Minister of Industry when he certifies a new business.

(b) New machinery and equipment that would otherwise fall in class 8 of the income tax regulations, which is acquired for use in certified new manufacturing and processing enterprises, shall be eligible for accelerated capital cost allowances. A rate of 50 per cent on a straight line basis will be permitted on new machinery and equipment acquired in the 24 month period following the date of enactment of the amendments to the Income Tax Act. This compares with a normal rate of 20 per cent on the diminishing balance basis.

It will not be necessary for a taxpayer to take these accelerated allowances during his three year income tax exemption. They may be deferred and deducted after that period.

(c) New buildings acquired in designated areas will qualify for accelerated capital cost allowances at the rate of 20 per cent per year on a straight line basis. This compares with a normal rate of 5 per cent on a diminishing balance basis for most buildings, or 10 per cent for buildings of frame or similar construction.

In order to qualify for this accelerated write-off, the new buildings must be acquired in the 24 month period which will apply for the other income tax incentives in the designated areas.

Under the municipal winter works program as applicable to designated areas, the government of Canada will reimburse each municipality in these areas 60 per cent of the direct payroll costs of approved projects which are incurred during the period November 1, 1963 to April 30, 1964.

The federal government has accelerated for the forthcoming winter those government construction projects which are located in these areas.

3. Under the established criteria, no areas have qualified for designation in the provinces of Prince Edward Island, Manitoba, Saskatchewan, and British Columbia.

[Mr. MacEachen.]

R.C.A.F. STATION, PENHOLD, ALTA.

Question No. 1,283—**Mr. Lambert:**

1. What was the date of the submission to treasury board of the proposal by the Department of National Defence to convert R.C.A.F. station Penhold, Alberta, for jet training?

2. What was the date of the approval by treasury board of this submission in its original or amended form?

3. What was the date of the approval of the tender call for works for such conversion?

4. What was the date on which tenders were called, and what was the closing date of the tender period?

5. How many tenders were received, and which firm was the lowest satisfactory bidder?

6. Was any advice given to the said contractor either verbally or in writing that his was the lowest satisfactory bid?

7. Was a contract ever signed with the said contractor and, if not, is any consideration being given to a compensatory payment for essential expenses by the said contractor as a result of the last minute decision to cancel the projected works?

Answer: 1. 22 May 1962.

2. 15 February 1963.

3. 20 March 1963.

4. 21 June 1963 with closing date 18 July 1963, later extended to 1 August 1963.

5. Nine. McNamara Construction.

6. A Canadian construction association representative was present at the opening of the bids and he would have advised the various bidders that McNamara's bid was the lowest satisfactory bid.

7. No.

Questions

PURCHASES BY QUEEN'S PUBLISHER

Question No. 1,293—**Mr. Fisher:**

Has the proposed branch of queen's publisher issued any orders to purchase and, if so, (a) on what date did treasury board authorize the purchasing procedure, and (b) who has treasury board authorized as acting head of the proposed office of queen's publisher of which the purchasing procedure will be a responsibility?

Mr. Drury: Yes, see answer to question 1,295, *Hansard* October 21, 1963, page 3807.

(a) Order in council 1963-1450 dated October 3, 1963, transferred from the Department of Defence Production to the Department of Public Printing and Stationery the responsibility for the procurement of print for books and publications.

(b) The queen's printer remains as deputy head of the Department of Public Printing and Stationery, after the transfer by order in council P.C. 1963-1254, dated August 21, to the Department of Defence Production the control or supervision of the procurement, purchasing and stores branch, the production branch, the outside printing production branch and the supporting services contained in the departmental secretary's branch, the administrative services branch and the financial services branch of the Department of Public Printing and Stationery.

PROCUREMENT AND PURCHASING BRANCH, PUBLIC PRINTING AND STATIONERY

Question No. 1,296—**Mr. Fisher:**

Have the functions of procurement, purchasing and stores branch of the Department of Public Printing and Stationery been made a responsibility of the Department of Defence Production and, if so, (a) on what date did this responsibility become effective (b) will the superintendent of the branch remain in his post, and to whom will he be immediately responsible (c) will the chief purchasing agent remain in his post (d) will the chief print buyer remain in his post and, if not, to whom will he be immediately responsible (e) who, in the Department of Defence Production, is immediately responsible for the operation of the procurement, purchasing and stores branch?

Mr. Drury: Yes.

(a) By order in council PC 1963-1254, dated August 21, 1963.

(b) Yes, and will be responsible to the deputy minister of defence production.

(c) Since August 21 the operations and establishments of those sections of the Department of Public Printing and Stationery transferred to the Department of Defence Production have been under review.

(d) Since October 3, 1963, the queen's printer has had a purchasing agent for commercial printing. There is also a purchasing agent for commercial printing in the procurement, purchasing and stores branch.

(e) Deputy minister, Department of Defence Production.

28902-5—249

GLASSCO COMMISSION RECOMMENDATIONS, PUBLIC PRINTING AND STATIONERY

Question No. 1,298—**Mr. Fisher:**

Has the Minister of Industry progressed in implementing the Glassco commission recommendations pertaining to the Department of Public Printing and Stationery?

Mr. Drury: Yes.

1. An organizational separation has been made between the following main functions and related support services: Publishing; Printing; Procurement, with the exception of the procurement of print for publications which the royal commission on government organization specifically recommended should be part of the publishing function c.f. Glassco report No. 9, vol. 2, pages 304-6.

2. Steps have been taken to delineate responsibilities between the queen's printer and the director of printing in regard to the printing requirements of parliament and the departments of government.

3. The offices of the queen's printer have been grouped in one wing of the printing bureau.

4. New procedures are being developed by the Department of Defence Production and the queen's printer in accordance with the changes in organization and administration which have been made.

5. Referring to specific recommendations in report No. 9 of the royal commission on government organization the following is an outline of progress:

Vol. 2, pages 289-90, recommendation 1. The categories of printing covered by this recommendation are being defined.

Vol. 2, page 290, recommendation 2. The formula for costing cannot be applied until more is known of the workload implication of the previous recommendations.

Vol. 2, page 290, recommendation 3. When the appropriate formula for costing has been determined this recommendation will be implemented whenever possible.

Vol. 2, page 292, recommendation not numbered. The printing bureau has placed 67 per cent of its operations in the main plant on measured standards; the program will be completed in approximately a year's time.

Vol. 2, page 294, recommendations 1, 2 and 3. Financial planning is proceeding in order to implement these recommendations at the start of the fiscal year 1965-66.

Vol. 2, page 295, recommendation not numbered. It has been, and will continue to be, a practice to review the work done by all printing units of departments and agencies not now under the authority of the Department of Public Printing and Stationery, with a view to centralizing direction and control whenever feasible.

Vol. 2, page 297. Implemented.

Vol. 2, page 300. By order in council PC 1963-1254 dated August 21, 1963, operating branches of the printing bureau were transferred from the Department of Public Printing and Stationery to the Department of Defence Production. Order in council PC 1963-1450 dated October 3, 1963, authorized the responsibility for the procurement of print for books and publications to the Department of Public Printing and Stationery. The creation of the proposed post of queen's publisher and the related changes in legislation are under consideration.

Vol. 2, page 302, recommendations 1, 2 and 3. Consideration is being given to the implementation of these recommendations.

Vol. 2, page 304, recommendations 1, 2 and 3. These recommendations anticipate changes in the financing and costing of government departments recommended in volume 1 of the royal commission on government organization; the proposed changes are still under review.

Vol. 2, page 306, recommendation not numbered. Implemented in so far as the present queen's printer has been made responsible.

Vol. 2, page 307, recommendation 1. Implemented, in so far as the function has been transferred to the Department of Defence Production.

Vol. 2, page 307, recommendation 2. Implemented, in so far as the present queen's printer now reports to the Minister of Industry and the superintendent of printing reports to the deputy minister of defence production.

GRAIN ELEVATORS—DEPRECIATION AND STORAGE RATES

Question No. 1,300—**Mr. Watson (Assiniboia):**

1. What is the rate of depreciation allowed elevator companies in Canada on (a) terminal elevators at the lakehead (b) country elevators in western Canada (c) permanent annexes in western Canada (d) temporary annexes in western Canada?

2. What is the storage rate per month that elevator companies receive for grain stored in each of the above?

Mr. Pickersgill: 1. Under part XI of the income tax regulations all of these buildings are depreciable on the diminishing balance basis. The maximum rates allowable are 10 per cent for buildings constructed of wood or galvanized iron and 5 per cent for other buildings.

2. (a) Terminal elevators, lakehead—storage for each succeeding day or part thereof after the first five days: 1/30 of 1 cent per bushel.

(b), (c) & (d) country elevators in western Canada—storage for each succeeding day or part thereof after the first 15 days: 1/30 of 1 cent per bushel. This rate applies as well to country elevator annexes in western Canada.

BUTTER AND BUTTER OIL

Question No. 1,305—**Mr. Scott:**

1. Is the government presently negotiating with Britain for the sale of butter and butter oil and, if so, has any firm contract been signed, and what quantity of butter does it cover?

2. What is the total amount of butter and butter oil on hand?

3. What steps are being taken by the government to dispose of such surplus?

Mr. Hays: 1. The government is not negotiating directly with Great Britain for the sale of butter and butter oil. However, a short time ago, Great Britain, through the British board of trade, asked importers to submit firm applications for import from any source, including non-quota countries, of five thousand tons of butter. Delivery of the butter prior to November 15, 1963 had to be guaranteed.

The agricultural stabilization board quoted competitive prices to Canadian exporters who had received inquiries from British importers. To date the agricultural stabilization board has sold to Canadian exporting firms a total of 2,500 long tons of butter for delivery to Great Britain under this program.

2. The total amount of butter and butter oil on hand as at October 1, 1963 is as follows: 148,377,000 pounds of butter; 81,163,000 pounds of butter oil.

3. Since May 1, 1962 a consumption incentive program for butter of 12 cents per pound has been in effect and during the 1961-62 dairy year approximately 50 million pounds more butter moved into domestic channels than in the previous dairy year. This program is, in effect, again this year and consumption remains relatively high. In addition, the agricultural stabilization board is at present seeking offers from the trade and importing countries for the export of its stocks of butter oil.

NAVAL SUPPLY DEPOT WATCHMEN, LYNN CREEK, B.C.

Question No. 1,319—**Mr. Douglas:**

1. Are watchmen employed at the naval supply sub-depot, Lynn Creek, B.C. and, if so, are they members of the civil service of Canada or otherwise in the employ of the government?

2. Is it proposed to replace these watchmen by members of the corps of commissionaires and, if so, (a) for what reason (b) what provision, if any, will be made for the future employment of the present watchmen?

Mr. Hellyer: 1. Yes, one security supervisor and six watchmen.

2. Yes. (a) in accordance with the policy of the department.

(b) (i) The security supervisor who had planned to retire on account of age agreed to stay on until the N.C.O. commissionaire could take over.

(ii) Two watchmen were reassigned to another naval establishment as cleaning service men on August 20 and September 13, respectively.

(iii) One watchman was transferred on October 16 as a cleaning service man with the Department of Veterans Affairs.

(iv) Of the remaining three who had claimed physical incapacity for other types of employment, two are being retained as watchmen at Lynn Creek after confirmation of their claim by the Department of National Health and Welfare, and one is now employed as a cleaning service man by the Department of Veterans Affairs on a six month trial period, as recommended by the Department of National Health and Welfare. This man's position at Lynn Creek is being left open should it become apparent that his services as a cleaning service man are not satisfactory solely for medical reasons.

FELTZ SOUTH, N.S., BREAKWATER REPAIRS

Question No. 1,327—**Mr. Crouse:**

1. Does the Department of Public Works plan to carry out any repairs to the breakwater at Feltz South, Lunenburg county, Nova Scotia and, if so, what is the amount allotted for these repairs?

2. What is the name of the company or individual awarded the contract, and the amount of the contract?

3. What is the name of the inspector appointed to examine the work, and his qualifications?

Mr. Badanai: 1. Yes; $1,700.

2. The contract has not yet been awarded but is expected to be issued within the next few weeks.

3. No inspector has yet been appointed.

CAPSTAN FOR WHARF, BRIDGEWATER, N.S.

Question No. 1,336—**Mr. Crouse:**

Will the government give consideration to the installation of a powered capstan on the government wharf at Bridgewater, Nova Scotia?

Mr. Badanai: Yes.

RIVER DREDGING, NEW BRIDGEWATER, N.S.

Question No. 1,337—**Mr. Crouse:**

Has the survey covering the necessary dredging required on the La Have river, New Bridgewater, Nova Scotia been completed and, if so, when will the work of enlarging the turning basin be started?

Mr. Badanai: Yes, the survey has been completed and the work will be carried out during the next fiscal year, subject to the approval of funds by parliament.

SCHOOL AND HOSTEL PROGRAMS, N.W.T.

Question No. 1,340—**Mr. Rheaume:**

1. On what basis does the Department of Northern Affairs and National Resources plan for the establishment of schools in various settlements of the Northwest Territories?

2. Does the department have plans for schools at any of the following settlements in the N.W.T. (a) Rocher river (b) Sachs harbour (c) Yellowknife Indian village (d) Holman island (e) Bathurst inlet (f) Colville lake?

3. How many pupils from each of the settlements mentioned in part (2) above were sent this year to school hostels, giving location of the hostel in each instance, for each community?

4. How many cottage type hostels are now in operation in the N.W.T., and where are these located?

5. Does the department plan to extend this program and, if so, when will this extension occur, and what communities will receive these cottage-hostels?

Answer: 1. On the basis of school age population.

2. (a), (b), (c), (e), (f) No. (d) Yes, in 1964.

3.

Settlement	No. of pupils attending hostel	Location of hostel
Rocher river	2	Yellowknife
Sachs harbour	27	Inuvik
Yellowknife Indian village	15	13 Fort Smith 2 Yellowknife
Holman island	11	Inuvik
Bathurst inlet	20	Inuvik
Colville lake	2	Inuvik

4. There are eight family type hostels now in operation, as follows:

Settlement	No. of small hostels in operation
Baker lake	2
Belcher islands	1
Cape Dorset	1
Eskimo point	2
Igloolik	2

5. The small hostel program is relatively new and the effectiveness of its operation is under continuous study. The degree of success of these initial units will determine how greatly the small hostel plan will be extended. Construction of two small hostels began this summer at Pond inlet.

FAMILY ALLOWANCE AND OLD AGE ASSISTANCE PAYMENTS

Question No. 1,355—**Mr. Danforth:**

1. What amounts have been expended by the federal government on family allowances, by year, by province, since the inception of the program?

2. What amounts have been expended by the federal government on old age security and old age assistance, by year, by province, since the inception of these programs?

Miss LaMarsh:

Family Allowances Payments

Fiscal Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon and NWT.	Total
	$	$	$	$	$	$	$	$	$	$	$	$
45-46	—	1,618,784	9,519,466	8,112,008	57,962,067	49,208,124	9,896,231	13,194,768	12,262,073	10,693,139	165,507	172,632,147
46-47	—	2,192,044	13,358,417	11,394,426	82,389,967	70,325,915	14,007,061	18,119,792	17,159,488	15,722,046	471,376	245,140,532
47-48	—	2,256,477	14,207,958	12,086,892	87,157,243	77,328,534	14,798,437	18,561,330	18,181,662	18,012,189	574,470	263,165,192
48-49	—	2,295,286	14,515,131	12,462,093	89,304,108	80,151,250	15,016,278	18,527,408	18,695,325	19,347,837	595,063	270,909,779
49-50	9,747,030	2,411,291	15,291,614	13,375,434	95,901,763	84,940,809	15,668,696	18,953,600	19,822,387	20,813,661	587,749	297,514,034
50-51	10,224,103	2,467,257	15,660,003	13,708,198	99,558,247	89,034,871	16,235,520	19,237,071	20,762,273	21,952,569	625,349	309,465,461
51-52	10,613,908	2,495,987	15,949,541	13,892,907	102,883,811	93,207,144	16,703,467	19,424,562	21,573,430	23,063,643	649,273	320,457,673
52-53	11,038,875	2,522,830	16,297,170	14,287,535	107,084,124	98,303,868	17,283,660	19,723,352	22,575,584	24,399,859	680,828	334,197,685
53-54	11,497,719	2,558,097	16,716,374	14,700,819	111,441,302	104,409,819	17,979,854	20,244,540	23,958,081	25,904,496	702,801	350,113,902
54-55	11,967,775	2,590,704	17,147,920	15,073,324	116,057,182	110,492,480	18,705,349	20,894,790	25,390,585	27,405,872	739,983	366,465,964
55-56	12,414,789	2,621,722	17,596,685	15,451,544	120,389,838	116,604,314	19,418,713	21,401,114	26,752,793	29,097,077	786,437	382,535,026
56-57	12,881,415	2,640,585	17,973,392	15,779,360	124,368,344	122,539,123	19,888,717	21,644,971	27,953,311	31,029,472	819,150	397,517,840
57-58	14,131,153	2,824,311	19,400,494	17,074,970	136,080,634	136,706,313	21,520,779	23,241,829	31,029,720	34,969,036	907,321	437,886,560
58-59	15,162,900	2,994,334	20,560,462	18,201,518	146,278,435	150,186,253	23,091,594	24,789,278	34,122,637	38,409,308	990,349	474,787,068
59-60	15,566,372	3,062,692	20,932,794	18,588,795	150,462,531	156,681,500	23,730,765	25,363,936	35,765,854	39,984,176	1,074,944	491,214,359
60-61	15,960,416	3,124,017	21,241,829	18,877,745	154,185,288	162,610,724	24,384,595	25,848,509	37,365,329	41,433,470	1,159,725	506,191,647
61-62	16,336,849	3,204,881	21,623,655	19,222,615	157,712,911	168,442,100	25,065,334	26,313,109	38,928,125	42,687,279	1,244,335	520,781,193
62-63	16,562,083	3,259,952	21,838,772	19,340,514	160,299,079	172,711,354	25,523,719	26,539,801	40,315,733	43,834,184	1,341,158	531,566,349

Old Age Security Payments

Fiscal Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon and NWT.	Total
	$	$	$	$	$	$	$	$	$	$	$	$
51–52	1,697,080	754,720	4,124,080	2,935,240	16,579,995	28,194,920	4,457,480	4,399,120	4,333,120	8,543,040	48,040	76,066,835
52–53	6,995,760	3,155,700	17,259,287	12,254,680	69,570,127	120,083,015	19,019,960	19,037,306	18,745,260	36,802,800	217,720	323,141,615
53–54	7,242,820	3,203,780	17,702,477	12,606,600	72,032,527	125,775,222	20,052,895	20,111,120	20,137,730	39,880,100	225,520	338,970,791
54–55	7,459,680	3,261,800	18,149,526	12,945,905	74,724,977	130,296,095	21,051,155	21,202,779	21,418,246	42,449,810	245,360	353,205,333
55–56	7,599,405	3,313,980	18,411,345	13,246,139	77,110,979	134,644,236	21,953,425	22,331,244	22,681,995	44,657,286	268,440	366,218,474
56–57	7,758,205	3,371,370	18,706,153	13,528,005	79,650,588	138,792,796	22,842,472	23,334,799	23,942,472	46,923,834	230,680	379,111,374
57–58	9,490,737	4,139,668	23,008,418	16,747,674	99,490,164	172,804,153	28,562,399	29,420,360	30,443,217	59,408,009	344,305	473,859,104
58–59	11,012,906	4,809,942	26,780,353	19,583,702	116,993,184	203,257,138	34,029,850	35,099,989	36,534,769	70,769,169	408,856	559,279,858
59–60	11,131,339	4,823,008	27,012,650	19,906,303	120,318,812	208,616,082	35,046,515	36,311,467	38,153,437	73,155,743	411,690	574,887,046
60–61	11,354,705	4,944,372	27,610,488	20,350,402	124,321,715	214,625,682	36,088,676	37,572,791	39,688,023	75,451,417	405,012	592,413,283
61–62	11,947,626	5,151,999	28,895,584	21,291,111	131,711,372	226,065,413	38,085,361	39,621,029	42,276,129	79,622,315	439,865	625,107,804
62–63	14,013,832	5,962,922	33,817,492	24,858,331	155,359,915	265,742,644	44,617,405	46,334,646	49,787,140	93,362,860	524,445	734,381,632

Old Age Assistance Payments

Fiscal Year	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon and NWT.	Total
	$	$	$	$	$	$	$	$	$	$	$	$
51–52	—	6,532	95,673	165,638	690,081	672,512	106,690	133,393	144,051	262,668	—	2,277,238
52–53	833,899	66,313	893,060	1,113,921	6,919,081	4,586,573	1,036,022	990,377	967,948	1,701,854	4,258	19,113,306
53–54	896,429	85,986	1,028,756	1,248,339	7,187,259	4,726,153	1,112,322	1,017,535	1,017,190	1,863,052	15,131	20,288,152
54–55	898,973	98,531	1,063,165	1,288,095	7,392,923	4,858,705	1,119,639	1,089,704	1,165,332	1,872,909	21,162	20,869,138
55–56	877,213	99,660	1,046,927	1,303,189	7,357,373	4,918,966	1,111,604	1,150,402	1,240,452	1,788,308	24,080	20,918,174
56–57	1,015,306	98,143	1,020,529	1,271,433	7,107,138	4,659,319	1,058,780	1,154,375	1,211,188	1,665,347	29,237	20,290,795
57–58	1,300,185	142,330	1,323,845	1,564,537	8,754,706	5,668,930	1,304,183	1,440,626	1,547,613	1,983,502	39,132	25,069,589
58–59	1,715,386	191,624	1,611,400	1,829,346	10,592,641	6,707,398	1,572,880	1,763,551	1,876,625	2,291,628	52,810	30,205,289
59–60	1,736,291	204,935	1,619,495	1,788,696	10,688,586	6,608,363	1,580,928	1,757,281	1,955,780	2,353,789	55,249	30,349,393
60–61	1,707,883	218,870	1,608,129	1,746,572	10,977,319	6,629,557	1,600,650	1,769,635	2,008,821	2,332,521	59,439	30,657,396
61–62	1,672,510	248,608	1,569,349	1,760,484	10,896,302	6,903,031	1,652,229	1,761,718	2,000,899	2,283,927	61,528	30,810,585
62–63	1,987,213	375,350	2,007,871	2,065,950	13,793,745	8,458,293	2,001,606	2,220,539	2,523,720	2,675,208	69,562	38,179,057

Questions

BREAKWATER REPAIRS, CAPE JOHN, N.S.

Question No. 1,357—**Mr. MacEwan:**

1. Have tenders been called for repairs to the breakwater at Cape John, Nova Scotia?
2. What were the names of the tenderers, and the amount of their tenders?
3. To whom has the contract been awarded?
4. What is the nature of the repairs, and when is the work scheduled for completion?

Mr. Badanai: 1. Yes.

2. R. A. Douglas Ltd., New Glasgow, $13,991; Joseph Almon, New Glasgow, $17,900.

3. Not awarded yet.

4. The renewal of damaged cribwork and timbers and to level and renew the deck of the outer 100 foot section of the breakwater. The work is scheduled to be completed within three months of the award of contract.

UNEMPLOYMENT INSURANCE AGREEMENTS WITH STATES

Question No. 1,363—**Mr. Dionne:**

Has the government of Canada signed agreements with any of the state governments in the United States with respect to unemployment insurance and, if so (a) with what state governments are such agreements in effect (b) are steps being taken to effect agreements with any other states and, if so, with which states?

Mr. MacEachen: Yes.

(a) The unemployment insurance commission has made agreements with all the states of the United States excepting Alabama, Iowa, Maine and New Hampshire.

(b) Yes, with Maine particularly although representations have also been made to New Hampshire.

*INCENTIVE HIRING PROGRAM FOR WORKERS OVER 45

Question No. 1,373—**Mr. Rheaume:**

1. How many persons over 45 years of age is it estimated will be employed during the coming year under the provision of the new program of the Department of Labour whereby incentives are available to employers to hire workers in this age group?
2. How many additional staff members will be required to supervise and administer this program throughout Canada?
3. Of the additional staff required, how many will be hired from the age group 45 years or more?

Mr. Byrne: 1. It is not possible to estimate the numbers to be employed under the older worker employment and training incentive program as this depends on the response of the employers of Canada to the program.

2. No additional staff members will be hired by the national employment service or the Department of Labour to work exclusively on this program. The national employment service has been authorized to increase its establishment by 362 in order to strengthen the work of the national employment service generally and to enable it to play its appropriate role in the implementation of the new employment and manpower development programs which was announced on June 10, 1963. The Department of Labour has been authorized to add three additional positions to the establishment of its division on older workers to strengthen its work in the field of encouraging the employment of older workers generally and to assist in the administration of this program.

3. It is not possible to estimate the number of persons which will be hired who are over the age of 45 years as recruitment for the positions mentioned in answer to question 2 will be by open and promotional competitions under the Civil Service Act.

COST OF NUCLEAR WARHEADS

Question No. 1,380—**Mr. Mather:**

What is the approximate cost incurred by the addition of nuclear warheads to Canadian defence expenditures?

Answer: Estimated costs of storage buildings, handling equipment, custodial personnel etc. are as follows: Non-recurring, approximately $7,600,000; Annual recurring, approximately $8,800,000.

HOWARD WRAY—TELEVISION INTERVIEW

Question No. 1,384—**Mr. Clancy:**

1. Was Howard Wray recently interviewed on the program "Night Final" carried over station CBOT-Ottawa and, if so, (a) who did he purport to represent (b) what was the subject of his interview (c) did the C.B.C. verify the accuracy of his statements (d) was his appearance on the program in the nature of (i) a public service (ii) a promotional stunt (iii) free advertising (e) on what other C.B.C. stations was the interview carried?
2. Was film of the interview flown from Toronto to Ottawa for the program and, if so, (a) at whose expense (b) on whose authority?
3. Does the C.B.C. intend to allot free time to independent druggists to present their case on the question of prepaid prescription services?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation as follows:

1. Yes. (a) He purported to represent himself only and was so presented in interview with C.B.C. T.V. news reporter. (b) Setting up of a drug store in a Toronto supermarket to sell to the public on a prepaid subscription plan. (c) The question of verifying the accuracy of his statements did not arise since they were presented only on the basis of their worth as personal statements. (d) The interview was carried by C.B.C. news on the same basis as any other item: for the information of the public and on the basis of its news value. (e) On CBLT Toronto night local news and distributed to Ottawa and other C.B.C. newsrooms.

2. No, the item was given routine distribution on the corporation's daily closed circuit feed to C.B.C. newsrooms and the newsrooms of eight affiliated private stations which make up the C.B.C. national syndication service.

3. C.B.C. News does not allot free time but in this, as in any other case, it is prepared to consider statements from other interested parties on the basis of their news value.

POWER INCREASE, RADIO STATION CFPR, PRINCE RUPERT

Question No. 1,388—**Mr. Howard:**

What plans are in existence, and what steps are being taken to increase the wattage of radio station CFPR at Prince Rupert, B.C.?

Mr. Pickersgill: I am informed by the Canadian Broadcasting Corporation that an application filed with Department of Transport on August 6, 1963 is to be considered at a public hearing of the board of broadcast governors commencing October 22, 1963. The corporation is asking for authority to increase the power of station CFPR to 10,000 watts, transmitting on a frequency of 860 kc/s from a new site at Dodge Cove on Digby island.

GOVERNMENT FARM LOANS, QUEBEC

Question No. 1,389—**Mr. Caouette:**

1. What is the total amount of government farm loans each year since 1958 (a) in the province of Quebec (b) in the county of Villeneuve?
2. What was the average amount of these loans?

Mr. Hays: 1. (a)

Province of Quebec	Amount
1958-59	$ 891,650
1959-60	1,286,450
1960-61	1,646,550
1961-62	1,786,100
1962-63	11,434,700
1963-64	7,286,100

(to September 30, 1963)

(b) The Farm Credit Corporation does not maintain statistical records on a constituency basis. However, the constituency of Villeneuve is made up of part of the municipal county of Temiscamingue and part of the municipal county of Abitibi east, for which municipal counties the answer is as follows:

1958-59	$ 19,800
1959-60	41,950
1960-61	18,500
1961-62	4,500
1962-63	47,300
1963-64	179,800

(to September 30, 1963)

Questions

2. Years	Province of Quebec	Municipal Counties of Temiscamingue and Abitibi East
	(to the nearest dollar)	
1958-59	$ 5,790	$ 4,950
1959-60	7,187	5,244
1960-61	15,533	9,250
1961-62	16,386	4,500
1962-63	14,222	11,825
1963-64	12,476	11,238

(to September 30, 1963)

J. H. RICK, NORTHERN AFFAIRS DEPARTMENT

Question No. 1,395—**Mr. Fisher:**

With regard to J. H. Rick, an employee of the Department of Northern Affairs and National Resources, what are the details, of his birthplace, institution and place by years of his education, his diplomas and degrees, his experience in his field by place and institution his publications (titles and bibliographical notation), his citizenship and the dates and data on his civil service grading?

Answer: Birthplace: Regina, Sask.

Education: B.A. in anthropology, University of Toronto, 1958. M.A. in anthropology, University of Toronto, 1959. University of Indiana archaeological field school, summer, 1958.

Experience: (1) Various excavations in southern Ontario with University of Toronto, Ontario archaeological society, 1954-59. (2) Field supervisor, Saskatchewan museum of natural history; archaeological site survey in Saskatchewan, 1959. (3) Field supervisor, North Dakota state historical society; excavations in North Dakota, 1959. (4) Archaeologist, University of Pennsylvania museum's Tikal project; excavations at Tikal, Guatemala, 1960-61. (5) Laboratory assistant zoology dept., University of Florida, 1961.

Publications: None.

Citizenship: Canadian.

Civil service grade: September 28, 1961: anthropologist 2; May 1, 1963: anthropologist 3.

FOREIGN OWNERSHIP AND CONTROL OF INDUSTRIES

Question No. 1,402—**Mr. Howard:**

What is the percentage of (a) foreign ownership (b) foreign control (c) United States ownership, and (d) United States control over the following industries:

1. Machinery
2. Mechanical transport
3. Chemicals
4. Clothing and textiles
5. Food products
6. Shipbuilding
7. Wood products
8. Industrial chemicals
9. Consumer chemicals
10. Plastics
11. Rubber
12. Fuels
13. Explosives
14. Leather
15. Clothing
16. Textiles
17. Electronic components
18. Electrical equipment
19. Fruit and vegetable products
20. Animal and fish products
21. Confectionery and beverages

Questions

22. Cereals and prepared foods
23. Metal fabrication
24. Machine and small tools
25. Light industrial equipment
26. Heavy industrial equipment
27. Scientific instruments
28. Iron and steel
29. Non-ferrous metals
30. Non-metallic minerals
31. Motor vehicles
32. Construction and agricultural machinery
33. Rail and other vehicles
34. Shipbuilding
35. Marine components
36. Pulp and paper
37. Printing and publishing
38. Construction products
39. Furniture
40. Propulsion systems

Answer: Statistics showing percentage of (a) foreign ownership, (b) foreign control, (c) United States ownership, and (d) United States control, are not available for most of the subdivisions of industry requested. Calculations from financial data of this kind have only been made on an enterprise basis. The activities of enterprises are not usually confined to the small subdivisions of industry. The most recent statistics on percentages of foreign ownership and control of selected Canadian industries have been published in table XV, Canadian balance of international payments 1960 and international investment position, dominion bureau of statistics, catalogue number 67-201.

FOREIGN OWNERSHIP AND CONTROL OF INDUSTRIES

Question No. 1,403—**Mr. Howard:**

What is the percentage of (a) foreign ownership (b) foreign control (c) United States ownership, and (d) United States control over the following industries:

1. Aircraft
2. Aerospace systems
3. Aircraft components and accessories
4. Aircraft sub-systems
5. Organic chemicals
6. Inorganic chemicals
7. Protective coatings
8. Pharmaceuticals
9. Toilet and cleaning preparations
10. Chemical specialties
11. Plastics manufacturers
12. Plastic fabricators
13. Rubber products
14. Petroleum products
15. Propellants and explosives
16. Footwear
17. Leather products
18. Men's clothing
19. Women's clothing
20. Cotton and woollen mills
21. Synthetic textiles mills
22. General textile products
23. Knitting mills
24. Electrical components
25. Electronic components
26. Wire and cable
27. Electrical apparatus
28. Control equipment
29. Generation and transmission
30. Appliances
31. Communications
32. Data processing
33. Data acquisition
34. Preserving and canning
35. Freezing and dehydrating
36. Meat processing
37. Fish processing
38. Dairy products
39. Sugar and confectionery
40. Bakery products

Answer: Statistics showing percentage of (a) foreign ownership, (b) foreign control, (c) United States ownership, and (d) United States control, are not available for most of the subdivisions of industry requested. Calculations from financial data of this kind have only been made on an enterprise basis. The activities of enterprises are not usually confined to the small subdivisions of industry. The most recent statistics on percentages of foreign ownership and control of selected Canadian industries have been published in table XV, Canadian balance of international payments 1960 and international investment position, dominion bureau of statistics, catalogue number 67-201.

[Mr. Howard.]

FOREIGN OWNERSHIP AND CONTROL OF INDUSTRIES

Question No. 1,404—**Mr. Howard:**

What is the percentage of (a) foreign ownership (b) foreign control (c) United States ownership, and (d) United States control over the following industries:

1. Beverages and tobacco
2. Grain milling
3. Vegetable oils and prepared foods
4. Metal stampings
5. Fabricated products
6. Metal specialty products
7. Machine tools
8. Hardware and small tools
9. Heating and cooling equipment
10. Office and store equipment
11. Industrial equipment
12. Industrial machinery
13. Scientific and professional equipment
14. Jewellery and flatware
15. Iron and steel mills
16. Pipe mills and foundries
17. Structural steel
18. Smelting and refining non-ferrous metals
19. Rolling, casting and extruding non-ferrous metals
20. Cement and clay products
21. Glass and industrial materials
22. Passenger and commercial vehicles
23. Motor vehicle parts and accessories
24. Agricultural implements
25. Construction machinery
26. Railroad equipment
27. Specialty vehicles
28. Shipyards
29. Marine components
30. Pulp and newsprint mills
31. Paper converters
32. Paper mills and specialty products
33. Commercial printing
34. Publishing
35. Sash and doors
36. Sawmills and planer mills
37. Plywoods and veneers
38. Structural wood products
39. Furniture
40. Secondary wood products

Answer: Statistics showing percentage of (a) foreign ownership, (b) foreign control, (c) United States ownership, and (d) United States control, are not available for most of the subdivisions of industry requested. Calculations from financial data of this kind have only been made on an enterprise basis. The activities of enterprises are not usually confined to the small subdivisions of industry. The most recent statistics on percentages of foreign ownership and control of selected Canadian industries have been published in table XV, Canadian balance of international payments 1960 and international investment position, dominion bureau of statistics, catalogue number 67-201.

CANADIAN ASSETS AND LIABILITIES ABROAD

Question No. 1,408—**Mr. Mather:**

1. Has the Auditor General issued or caused the of Canadian assets abroad, and what was the distribution of these assets by countries?

2. As of December 31, 1962, what was the total Canadian liabilities to non-residents, and what was the distribution of these liabilities by countries?

Answer: Statistics showing Canadian assets abroad and Canadian liabilities to other countries are not yet available as of December 31, 1962. Some details for the end of 1961 are shown in table V, page 13 of the publication, quarterly estimates of the Canadian balance of international payments second quarter 1963, dominion bureau of statistics, catalogue number 67-001.

*ESTATE OF MRS. FLORENCE EATON-KAYE

Question No. 1,418—**Mr. Fisher:**

1. Has the Auditor General issued or caused the Department of National Revenue to issue a writ of execution or any other action of a legal nature in connection with the estate of the late Mrs. Florence Eaton-Kaye and, if so, when, and for what reasons?
2. Is the Department of National Revenue aware of any actions before the U.S. courts which relate to this estate or the holdings of this estate?

Mr. Garland: 1 and 2. The custom in this house has been to consider the affairs of taxpayers and the information submitted to the department by taxpayers to be confidential in nature. The Income Tax Act (section 133), the Dominion Succession Duty Act (section 54) and the Estates Tax Act (section 53) contain provisions to this effect.

MOTIONS FOR PAPERS

COLUMBIA RIVER TREATY

Motion No. 93—**Mr. Herridge:**

That an order of the house do issue for a copy of all correspondence and telegrams exchanged between the Prime Minister or any member of the government and any private citizen in Canada with respect to the Columbia river treaty since January 1, 1963.

Mr. Pearson: Mr. Speaker, I understand after discussion with the hon. member that he has agreed to withdraw this motion and rephrase it in a form which will make it possible for him to have all the information he requires, but in the shortest possible time. If I am correct in that assumption, perhaps the hon. gentleman will withdraw the motion for that purpose.

Mr. Herridge: I agree with the Prime Minister's suggestion. I am a most accommodating person when it is not a matter of principle.

Order discharged and motion withdrawn.

ARMED FORCES—TESTS FOR APPLICANTS FOR COMMISSIONS

Motion No. 94—**Mr. Olson:**

That an order of the house do issue for a copy of all tests given to persons applying for a commission in the armed forces and more specifically those tests of a general nature that are used to evaluate personality characteristics, and intelligence levels.

He said: Mr. Speaker, I wish to withdraw this motion because I have had a discussion with the Minister of National Defence and some of the information is going to be supplied to me.

Order discharged and motion withdrawn.

CANADIAN WHEAT SALES ABROAD

Motion No. 97—**Mr. Martineau:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, communications and other documents received from the government of the United States of America or any of its departments or exchanged between the government of the United States of America and the government of Canada, or any of their respective departments, concerning the sale of wheat by Canada to the U.S.S.R., other communist countries and Japan, or pertaining to any representations made about the price of wheat sold to these countries.

Mr. Sharp: Mr. Speaker, to table confidential information of the kind requested by the hon. gentleman would be both a departure from normal usage in the intergovernmental exchange of confidential information, and not in the public interest. For these reasons I respectfully request the hon. gentleman to withdraw the motion. I have told the house on a number of occasions that the United States government was kept informed of the negotiations between the Soviet union and Canada, and generally speaking I think I have tried to keep the house fully informed about all developments concerning the recent sales of wheat by Canada and have tabled the relevant documents. It will be my intention to continue to keep the house fully informed, but for the reasons I have given I do hope the hon. gentleman will agree to withdraw his motion.

Mr. Martineau: Mr. Speaker, the other day in explaining some of the guide lines concerning the production of papers you indicated that the fact that documents might be confidential was not a reason for not publishing them. With regard to the question of a departure from ordinary usage, I think the fact that the United States government has accused the Canadian government of price fixing is a departure from such usage, and that it is in the public interest that all the details and particulars pertaining to that charge be fully aired in the house. Because of these reasons I cannot see my way clear to withdraw my motion, although I would have no objection to having it transferred for debate on a later occasion.

Mr. Sharp: Mr. Speaker, perhaps it might help the hon. gentleman if I made two statements about these matters. I have looked at the files—

Mr. Martineau: Mr. Speaker, on a point of order, I do not want to stop the minister from giving information, but I do not think the motion is debatable at this stage. However, if the minister wants to debate it, it is quite all right with me.

Mr. Speaker: Under the rules of the house I must put the motion as it stands or it must be transferred for debate.

Mr. Pearson: Transferred.

Mr. Pickersgill: Transferred for debate.

Mr. Speaker: Transferred for debate.

PRINCE RUPERT, B.C., GRAIN ELEVATOR

Motion No. 101—**Mr. Howard:**

That an order of the house do issue for a copy of all reports received by the government or any agency or branch thereof dealing with the grain elevator at Prince Rupert, B.C., since January 1, 1959.

Mr. Beer: Mr. Speaker, the minister respectfully requests that motion No. 101 for the production of papers stand.

Mr. Speaker: Does the hon. member agree?

Mr. Howard: Agreed.

Motion stands.

EXPANSION OF GRAIN ELEVATOR FACILITIES, PRINCE RUPERT, B.C.

Motion No. 102—**Mr. Howard:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, letters and other documents received by the government or any agency or branch thereof or exchanged between the government or any agency or branch thereof and any other person, organization or government since January 1, 1962, dealing with the possibility of expanding the facilities of the grain elevator in Prince Rupert, B.C., or dealing with the handling of grain through the said elevator.

Mr. Beer: Mr. Speaker, this motion is acceptable, subject to the reservation that the consent of any provincial government concerned is obtained to produce the correspondence with that government.

Mr. Speaker: The motion is agreed subject to the reservation of the parliamentary secretary.

Mr. Lambert: Mr. Speaker, I wish to raise a point of order with reference to motion No. 97. I did not wish to interrupt you or I would have raised it earlier. I would point out to Your Honour that the effect of the order of the house of last Thursday is that there no longer is a period on Thursdays—

Mr. Pickersgill: That was Wednesday.

Mr. Lambert: I am sorry; I thought it was Thursday.

Motion agreed to.

RIVER DREDGING, QUEBEC

Motion No. 104—**Mr. Rochon:**

That an order of the house do issue for a copy of any correspondence exchanged between the Minister of Public Works or officials of his department and the members of La Corporation Inter-urbaine de l'Ile Jesus regarding the dredging of the Riviere des Mille Iles and the Riviere des Prairies.

Mr. Badanai: This motion is agreed to except as to the tabling of personal and confidential papers.

Motion agreed to.

REPRESENTATIONS RESPECTING PENSION PLAN

Motion No. 105—**Mr. Knowles:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all communications received by the Prime Minister, or by any other member of the cabinet dated since April 22, 1963, from life insurance companies, private pension firms or consultants, private actuarial consultants, investment houses and chambers of commerce, concerning the proposed Canada pension plan, and a copy of all replies thereto.

Motion agreed to.

SPEECH OF MINISTER TO PENSION CONFERENCE

Motion No. 106—**Mr. Knowles:**

That an order of the house do issue for a copy of the text of the speech made in the name of the Minister of National Health and Welfare on the Canada pension plan at a meeting of the Canadian pension conference held in Toronto on Monday, September 30, 1963.

Motion agreed to.

GRAIN TERMINAL, TISDALE, SASK.

Motion No. 108—**Mr. Rapp:**

That an order of the house do issue for a copy of all correspondence reports or surveys received by the Minister of Agriculture, the Minister of Trade and Commerce, the Canadian wheat board, the board of grain commissioners for Canada or officers of any government department or agency with respect to the construction of a grain terminal at Tisdale, Saskatchewan.

Motion agreed to.

LETTER TO FINANCE MINISTER FROM C. H. SPROULE

Motion No. 110—**Mr. Muir (Cape Breton North and Victoria):**

That an order of the house do issue for a copy of a letter dated September 17, 1963, addressed by Mr. C. H. Sproule, chairman of the maritime

lumber bureau to the Minister of Finance on the subject of federal sales tax and a copy of any reply thereto.

Motion agreed to.

IMMIGRATION ORDERS IN COUNCIL

Motion No. 111—**Mr. Peters:**

That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all orders in council covering immigration for the years 1955, 1956, 1957, 1958, and 1959, and to include any corrections that have been brought to the attention of the government as a consequence of the Immigration amnesty order, together with recommendations instituted by members of parliament concerning individuals covered by such orders in council.

Mr. Lamontagne: Mr. Speaker, I thought the hon. member had agreed that this motion would stand.

Motion stands.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND LUC LESSARD

Motion No. 113—**Mr. Langlois:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, by the Postmaster General or any employee of the Post Office Department on the one hand, and Mr. Luc Gilbert Lessard of Black Lake, Megantic county, on the other hand.

Mr. Denis: Mr. Speaker, with regard to notices of motion Nos. 113 to 134 inclusive, there is no objection to the production of all the official documents.

[*Text*]

Mr. Speaker: Under our rules I will have to put the individual motions.

Mr. Fisher: What other correspondence is there?

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND CECIL DOUGHERTY

Motion No. 114—**Mr. Latulippe:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Postmaster General or any employee of the Post Office Department and Mr. Cecil Dougherty of Lennoxville, in the county of Frontenac.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND RENE CÔTÉ

Motion No. 115—**Mr. Caouette (for Mr. Gregoire):**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, by the Postmaster General or any employee of the Post Office Department on the one hand, and Mr. Rene Côté of 94 Fontaine st., Jonquiere, on the other.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND STEPHAN CUDDIHY

Motion No. 116—**Mr. Caouette:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, by the Postmaster General or any employee of the Post Office Department on the one hand, and Mr. Stephan Cuddihy of Rouyn, Villeneuve county, on the other hand.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND THEO BEAUDRY

Motion No. 117—**Mr. Laprise:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, by the Postmaster General or any employee of the Post Office Department on the one hand, and Mr. Theo Beaudry of Chapleau county on the other hand.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND MEREDE BOUCHARD

Motion No. 118—**Mr. Belanger:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, by the Postmaster General or any employee of the Post Office Department on the one hand, and Mr. Merede Bouchard of St. Gregoire, Montmorency, on the other hand.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND FRANCIS O'FARRELL

Motion No. 119—**Mr. Beaule (for Mr. Boutin):**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Postmaster General or any officials of the Post Office Department and Mr. Francis O'Farrell, 984 Salaberry street, Quebec city.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND JEAN-PAUL NOLIN

Motion No. 120—**Mr. Plourde:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Postmaster General or any of the officials of the Post Office Department and Mr. Jean-Paul Nolin, 152 Belanger street, Quebec west.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND ALBERT PARENT

Motion No. 121—**Mr. Beaule:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Postmaster General or any official of the Post office Department and Mr. Albert Parent, 2110 boulevard Sainte-Anne, Quebec city, Quebec.

Motion agreed to.

Inquiries of the Ministry

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND ALBERT GARANT

Motion No. 122—**Mr. Gauthier:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Postmaster General or any official of the Post Office Department on one hand, and Mr. Albert Garant, P.O. Box 456, Roberval, P.Q., on the other hand.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND JEAN-PAUL RACINE

Motion No. 123—**Mr. Rondeau (for Mr. Perron):**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, by the Postmaster General or any official of the Post Office Department on the one hand, and Mr. Jean-Paul Racine, of St. Honore de Shenley, county of Beauce, on the other hand.

Motion agreed to.

CORRESPONDENCE BETWEEN P.O. DEPARTMENT AND GERARD LACAILLE

Motion No. 124—**Mr. Rondeau:**

That an order of the house do issue for a copy of all correspondence exchanged since April 8, 1963, between the Postmaster General or any official of the Post Office Department on the one hand, and Mr. Gerard Lacaille, St. Paul d'Abbotsford, on the other hand.

Motion agreed to.

INQUIRY FOR RETURNS

Mr. Heward Grafftey (Brome-Missisquoi): Mr. Speaker, before orders of the day are called may I ask the Secretary of State, in view of the fact that on June 26 last, approximately four months ago, the government agreed to make returns to my motions Nos. 19, 22, and 33 relating to federal-provincial questions, and in view of the fact that the federal-provincial meeting is coming up in a very short time, would he agree to have these returns made as soon as possible, so that I could begin my study of them?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, I would hope that within the four weeks and some days which still remain before that meeting it would be possible to get these returns, and I will do my best to persuade the departments to get them.

LABOUR RELATIONS

NORRIS COMMISSION—REPORT OF SPECIAL COUNSEL

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 Justice and ask him, in view of the action announced belatedly today by the Minister of Labour, if he is now in a position to advise the nature of the prosecutions, if any, that will be taken by the government in pursuance of the recommendations of the Norris commission.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I presume that what my right hon. friend had in mind in the latter part of his question was the procedure in pursuance of the report made by the two counsel. In answer to his question I must say that I did spend an hour with the two counsel this morning. I am seeing them again this afternoon, but unfortunately at this time I am unable to make any statement.

[*Later:*]

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, may I direct a question to the Minister of Labour and ask him how long or how many days he will wait before he imposes sanctions on the men who are out on an illegal strike and who are actually acting in defiance of his order to return to work. I refer to the seamen of the S.I.U.

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, no time limit has been set, in the sense in which the hon. gentleman has put the question. The government has today proclaimed the trusteeship act, the trustees have been appointed, and at the same time the government has under consideration what further steps might be taken to bring this matter to a settlement.

Mr. Olson: Mr. Speaker, may I direct a supplementary question to the Minister of Justice. Inasmuch as several weeks of delay have taken place already with regard to action to enforce the law and to undertake prosecutions as recommended in the Norris report, I would like to ask the minister whether this is as a result of a conflict of jurisdiction between the provinces and the federal government; and if so, is he prepared to introduce legislation whereby we can settle this problem?

Mr. Chevrier: Mr. Speaker, I do not know that there has been an inordinate delay. I have told the house that there was an interim report on this matter which my officers were discussing with the two counsel. I added, in answer to the question put by the Leader of the Opposition, that I had met with the two counsel this morning, and I am leaving now to have another meeting with them. I think the house, and particularly my hon. friend, would not want me to go any further at this time in view of the seriousness of this situation.

SUGAR

RECOMMENDATIONS BY COMBINES BRANCH RESPECTING PRICE INCREASES

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, I wish to direct a question to the Minister of Justice. Has he received since yesterday suggestions or recommendations from the director of combines investigations, in regard to the sudden and recent increase in the price of sugar?

Hon. Lionel Chevrier (Minister of Justice): No, Mr. Speaker.

[*Text*]

SELLING PRICE OF BEET SUGAR PRODUCED IN WEST

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, I would like to ask the Minister of Justice, in view of the monstrous increase in the price of sugar, whether he is in a position to answer the question that I asked him yesterday relative to the sale of beet sugar produced at the refineries in Winnipeg and Lethbridge, which is selling at a price which takes into consideration the freight from Montreal to the places of production, rather than the freight rates from the places of production.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I have the answer to the question which the Leader of the Opposition asked yesterday. Perhaps I had better read into the record the question as he posed it then:

> Mr. Speaker, as a supplementary question I would ask the minister whether in so far as western Canadian beet sugar is concerned which is refined at Winnipeg and Lethbridge, the people in western Canada are being penalized by having to pay the world sugar price, plus freight charges, as if the sugar was shipped from Montreal, when in fact it is coming from one or other of those two refineries.

The answer that has been given to me by the director of the combines investigation branch is as follows: Generally speaking, the refinery price of cane sugar in western Canada is equivalent to the Montreal or Vancouver price, whichever is the closer point, plus freight, the price of beet sugar being slightly lower. The director advises that such a situation can exist without there being any offence against the Combines Investigation Act.

As stated on a previous occasion, the increase in Canadian sugar prices is attributable to the increase in world raw sugar prices. Because of increasing world consumption and production difficulties there is unlikely to be any immediate improvement. Since the increase in refined sugar prices is a direct reflection of world market conditions over which Canada has no control, action under the Combines Investigation Act cannot be expected to correct the situation. The director is, however, continuing to keep the matter under close scrutiny, and should any aspect give him reason to believe that an offence against the act is being committed, he will take the action that the statute requires.

INDUSTRY

AUTOMOBILES—PLANS TO INCREASE CANADIAN SHARE IN GROWTH

On the orders of the day:

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, may I direct a question to the Minister of Finance. I would have directed it to the Minister of Industry but since the Minister of Finance spoke on the same subject last night, according to newspaper reports, I am sure he is in a position to deal with this matter. I wonder when the house will be advised of the details of the proposal made by the Minister of Industry in Washington, which has been a subject of controversy and debate in the press in the United States for the last 48 hours?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I do not think the Minister of Industry made any statement of policy in Washington. My recollection is that he said early this week that as soon as he had a statement to make he would make it in the house, and he hoped to make it before the end of the week.

Mr. Nowlan: As a supplementary question, can the minister explain how the secretary of commerce of the United States cabinet is able to discuss these matters with so much intelligence that he can threaten retaliatory action against Canada?

Mr. Gordon: I am unable to speak for the secretary of commerce of the United States, or to comment on whether his remarks were intelligent or otherwise.

Hon. Paul Martineau (Pontiac-Temiscamingue): As a supplementary question, Mr. Speaker, was the Minister of Finance announcing new government policies when he said new steps would be taken following those that are now to be taken in regard to the automobile industry, to increase production in other industries and, if so, can he tell us what industries will be affected?

Mr. Gordon: No, Mr. Speaker, I was not announcing new government policies.

Mr. Martineau: Will the minister answer the second part of my question? He is reported as having said that moves will be

taken to increase production in certain other industries, moves along the lines taken for the automobile industry. The question is, will he name what industries he has in mind?

Mr. Gordon: Mr. Speaker, I will be glad to send the hon. member a copy of the speech I made last night, and when the Minister of Industry has anything further to announce I am sure he will do it in the house.

MANITOBA—REPORTED DUPLICATION OF DEVELOPMENT PLAN

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I have a question for the Minister of Industry. In his absence perhaps it could be taken as notice. Is the minister aware of the comments of the premier of Manitoba and his minister of industry to the effect that costly duplication of the excellent Manitoba industrial development plan is occurring in setting up the new federal department, and that this arises from a failure of the government to consult with the provinces in areas of joint responsibility?

Mr. Speaker: Order. I have serious doubts about whether the question is in order. In any event I think if the hon. member would put his question on the order paper he would receive a more detailed reply.

PUBLIC SERVICE

SUPERANNUATED FEDERAL EMPLOYEES—REQUEST FOR INCREASED PENSIONS

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Finance. In view of the letter he received recently from Mr. Edwards, the president of the civil service federation of Canada, which he wrote on behalf of retired civil servants, will the minister say whether the government will reconsider the decision which apparently it has taken not to do anything in this session about amending the Public Service Pension Adjustment Act?

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, the government has no plans to reconsider the decision that was taken some weeks ago.

Mr. Knowles: Then may I ask a supplementary question. In view of the minister's statement in his letter to the civil service federation of Canada that these people must wait until the Canada pension plan becomes law, can he tell us when that might be?

[Mr. Martineau.]

Mr. Gordon: Mr. Speaker, I do not think that I can usefully add anything to what the Prime Minister has already said on this subject.

AGRICULTURE

QUEBEC—NON-PAYMENT OF TAXES UNTIL FEED GRAIN ASSURED

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I should like to put a question to the Minister of National Revenue. Could the minister inform the house as to which steps he intends to take against the members of the catholic farmers' union who refuse to pay their income tax if the government does not give cause for satisfaction to the eastern farmers as regards the purchase of their feed grain?

[*Text*]

Mr. Speaker: This is surely a question for the order paper.

APPEARANCE BEFORE COMMITTEE OF STABILIZATION BOARD OFFICIALS

On the orders of the day:

Mr. E. Nasserden (Rosthern): Mr. Speaker, I should like to address a question to the Minister of Agriculture. It dates back to a question I asked him on June 26 in regard to whether the officials of the stabilization board would be brought before the committee on agriculture. At that time the minister said he would take my question as notice, but we have not heard anything about it since.

Hon. Harry W. Hays (Minister of Agriculture): I am sorry the hon. member has not received an answer. I will take his question as notice today and see if we can reply to it tomorrow.

PROVISION OF FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, my question is directed to the Minister of Agriculture and it is of vital importance at this time both to our eastern and western farmers.

In view of the fact that ice will soon put a stop to navigation on the St. Lawrence seaway and that the catholic farmers' union of the province of Quebec has reported that grain production in that province is now 45 per cent below average, does the minister intend to allow the Canadian wheat board to carry western feed grain to Quebec, in order to bring some relief to the farmers of that province?

[*Text*]

Hon. Harry W. Hays (Minister of Agriculture): There are two questions here, and if the hon. member would put them on the order paper I think we could answer them in detail.

[*Translation*]

Mr. Langlois: Mr. Speaker, I feel that if the question is put on the order paper, there will again be a delay before a reply is given.

This is the third consecutive day that we have been asking this question in the house and we have been told to put it on the order paper. In my opinion, the Minister of Agriculture who stated a few minutes ago that Canada has sent several thousand dollars worth of food and merchandise to the victims of hurricane Flora, should at least give us a quick reply so that Quebec farmers may get as much assistance as the victims of hurricane Flora, in the Caribbean area.

[*Text*]

Mr. Hays: Perhaps I could answer the question in a way that would satisfy the hon. member until tomorrow. I should like the house to know that we have more feed grain on spot than at any time in the history of the feed grain policy, and we have more in store ready to ship than at any time since 1941.

Mr. Langlois: We all know that; but what Quebec wants to know is, is the Canadian wheat board ready to extend its powers so that it has charge of the wheat from the lakehead to Quebec without going through the grain exchange?

Mr. Speaker: May I suggest respectfully that this question should be put on the order paper and an answer expected shortly.

[*Later:*]

Mr. E. Nasserden (Rosthern): A supplementary question was asked a few minutes ago, Mr. Speaker, and I should like to ask the Minister of Trade and Commerce if any special action is contemplated to put barley at the disposal of the feeders in eastern Canada?

Hon. Mitchell Sharp (Minister of Trade and Commerce): In a general way, let me assure the hon. member and the house that the Canadian wheat board is giving very high priority to the requirements of eastern feeders in moving grain to eastern positions before the freeze-up and thereafter.

[*Later:*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, my question is to the Minister of Agriculture. Will the minister assure the house that he will look into the administration of the Toronto-Montreal grain exchange with regard to grain coming in from the western provinces for sale in the eastern provinces?

Mr. Speaker: Surely this is a question for the order paper. The hon. member can hardly expect an answer to a question like that asked on orders of the day.

ARTS, LETTERS AND SCIENCES

INSTRUCTIONS TO ROYAL COMMISSION RESPECTING PUBLIC MEETINGS

On the orders of the day:

Mr. Nicholas Mandziuk (Marquette): Mr. Speaker, may I address a question to the President of the Privy Council. Can the minister advise the house whether he instructed the royal commission on biculturalism and bilingualism to obtain public clarification of the scope of their assignment by means of public meetings across the country, the first such meeting having been advertised for November 7, 1963, in Ottawa.

Hon. Maurice Lamontagne (President of the Privy Council): No, Mr. Speaker.

Mr. Mandziuk: A supplementary question, Mr. Speaker. Is the minister aware of any other meetings to be held across Canada?

Mr. Lamontagne: I am not aware of any such meetings, Mr. Speaker.

Mr. Speaker: The hon. member for Quebec East.

[*Translation*]

Mr. Robert Beaule (Quebec East): Mr. Speaker, my question was along the same line as the one just put by the hon. member for Winnipeg North Centre (Mr. Knowles).

[*Text*]

NATIONAL DEFENCE

DISCONTINUANCE OF COMMUTER ALLOWANCE AT MILITARY ESTABLISHMENTS

On the orders of the day:

Mr. Thomas M. Bell (Saint John-Albert): Mr. Speaker, may I direct a question to the Minister of National Defence. Will the minister have another look at this question of the discontinuance of bus commuter allowance at the various military establishments, particularly the naval ordnance depot at Renous, New Brunswick, having regard to cases of hardship and inconsistencies in other departments of government?

Hon. Lucien Cardin (Associate Minister of National Defence): Mr. Speaker, the department has been looking into this question of

commuting allowances and it has been decided that at the base at Renous and others in the maritime provinces we will not continue the commuting allowance after November 1.

Mr. Bell: A supplementary question, Mr. Speaker. Does the minister realize that this means a reduction in their salary of about $35 a month, and that this policy is also inconsistent with that of the Department of Transport and other departments of government, because in so far as they are concerned this extra consideration is given to employees?

Mr. Cardin: Mr. Speaker, that question has been looked into very carefully and we are doing everything we can to achieve uniformity.

Mr. Robert Muir (Cape Breton North and Victoria): Mr. Speaker, I did not quite catch what the minister said in his reply, but he did mention something about the maritime provinces. I am wondering whether this applies to all establishments, particularly the Point Edward naval base in Cape Breton.

Mr. Cardin: Mr. Speaker, I should like to take that question as notice.

CANADIAN PARTICIPATION IN U.S. AIRLIFT TO GERMANY

On the orders of the day:

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, I should like to direct a question to the Minister of National Defence.

I am sorry but I was able to send him notice only at the opening of this afternoon's sitting.

Could the minister inform the house as to whether Canada will participate in the operation "Big Lift", namely the air lift which will be set up between a NATO airport in Europe and western Germany?

[*Text*]

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, we are not participating in this operation "Big Lift". We are of course, as the hon. member would understand, supplying air space for the transport of these aircraft on their route. This is our only participation. We will, of course, be interested in the results of the whole operation.

Mr. Langlois: I did not quite catch the beginning of the minister's answer. Are there any Canadian soldiers taking part in this operation?

Mr. Hellyer: No, there are not.

[Mr. Cardin.]

FORT CHURCHILL—REPORTED FREEZING OF MILITARY POSTINGS

On the orders of the day:

Hon. Paul Hellyer (Minister of National Defence): I should like to answer a question asked of me by the hon. member for Churchill concerning service postings to Fort Churchill. I am now in a position to reply.

In view of the consideration being given to service establishments at Fort Churchill to which I referred on October 14, while postings to Churchill have not been frozen, the number of such postings being implemented are being reduced pending a final decision.

LABOUR CONDITIONS

ROBERVAL COUNTY, QUE.—REQUEST FOR EXEMPTION FROM TAX ON BUILDING MATERIALS

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. C. A. Gauthier (Roberval): Mr. Speaker, I have a question for the Minister of Finance.

Now that the whole riding of Roberval has finally been recognized as a depressed area, can the minister give us some hope of an exemption from the sales tax on building materials that will be used for winter works carried out under this act?

Mr. Speaker: This is a question for the order paper.

[*Text*]

FINANCE

MUNICIPAL LOAN LEGISLATION—AGREEMENTS WITH PROVINCES

On the orders of the day:

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): I should like to address a question in French to the Prime Minister.

[*Translation*]

Can the Prime Minister tell the house whether all provinces have signed the agreement with the municipal development and loan board?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): The hon. member was good enough to give me notice of this question when I came into the house. A draft agreement was drawn up some time ago by the federal authorities and was submitted to the provinces. There has been an exchange of views with all the provinces on that draft agreement, and as a result of that exchange we hope there will be agreements signed with all the provinces very shortly.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. L. P. Antoine Belanger (Charlevoix): Mr. Speaker, I should like to direct a question to the Minister of Finance.

Can the minister tell the house whether it is true that the province of Quebec, which has not yet signed the agreement with the Municipal Development and Loan Board, now declines to do so?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, I thank the hon. member for sending me notice of this question. As the Prime Minister has indicated there have been negotiations with the provinces about the terms of the agreement. A final draft of the agreement was forwarded to the province of Quebec on Friday, October 18, and I have every expectation the province of Quebec will find this agreement satisfactory and will sign it.

BUSINESS OF THE HOUSE

ORDER OF PRIORITY OF GOVERNMENT BUSINESS ON ORDER PAPER

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Prime Minister. My question relates to the business of the house and is based on the fact that there are 27 government orders on the order paper, but that only four or five of them have been indicated to us in recent weeks as having the kind of priority that would ensure their being called for discussion. I wonder if the Prime Minister at an early date could make a statement to the house telling us the government's plans for this session, which of the items on the order paper have priority, and whether or not there are any other pieces of legislation to be placed on the order paper by the government?

Right Hon. L. B. Pearson (Prime Minister): I think that is a very useful suggestion. I hope to make a statement along these lines shortly.

PENSIONS

BLIND AND DISABLED PAYMENTS—REQUEST THAT INCREASE BE RETROACTIVE

On the orders of the day:

Hon. Michael Starr (Ontario): I should like to ask the Minister of National Health and Welfare if the government, in deciding to extend the increase of $10 to disabled and blind persons, will make it retroactive to October 1, in the same way as the old age pension?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I thank the hon. member for his question, and refer him to an answer I gave earlier in the house with respect to other co-operative schemes with the provinces, and the necessity for discussing them with the provinces in November.

EXTERNAL AFFAIRS

WEST GERMANY—VISIT TO CANADA BY NEW CHANCELLOR

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, my question is directed to the Prime Minister.

Does the right hon. gentleman intend to invite the new chancellor of West Germany to come to Canada following his trip to Washington, towards the end of November?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): The question of an invitation has not yet been considered by the government. I understand he is going to visit Washington in November, and I am sure the new German chancellor would be welcome in Canada. I think we should consider now extending an invitation to him.

POST OFFICE DEPARTMENT

REPORTED DISMISSAL OF VETERAN'S WIFE

On the orders of the day:

Hon. Azellus Denis (Postmaster General): Mr. Speaker, I should like to answer a question asked by the hon. member for Hastings-Frontenac. Before I do so, may I ask him if he was talking about the postmastership at Enterprise, Ontario?

I want to reply to the question, Mr. Speaker, because I want to correct some of the statements made. In his question the hon. member said that the lady in question was a veteran. I looked in the file, and she is not a veteran. The hon. member stated also that, with her ability and personality she had increased the revenue of this post office by $2,100. The fact is that the total revenue for one year in this office was $1,410. Later on he said that he wrote to the Postmaster General but to no avail. May I say to you, Mr. Speaker, that the hon. member for Hastings-Frontenac never wrote to me about it. If I remember, the only letter was dated October 10 and it arrived on October 11. It was sent to the proper service on the 15th, the 14th being a holiday, the 13th

being a Sunday. I want to correct the impression that he wrote to me personally. I do not want the house to think that I had not bothered to answer. Moreover, in a newspaper he is reported as having said that Mrs. Stewart had been replaced by a young Liberal. I have information which indicates that she will be replaced by one Mrs. Dillon, who is the mother of 10 children.

Mr. Monteith: All Liberals?

Mr. Webb: Mr. Speaker, on a question of privilege, the facts are as I gave them in the house. The lady in question was the young widow of a veteran and had five children. The report I got was that since taking over the postmastership she increased the revenue in the amount of some $2,100.

Mr. Denis: The total revenue was $1,410.

Mr. Webb: I will produce a copy of the letter I sent to the Post Office Department.

HOUSE OF COMMONS

APPOINTMENT OF COMMITTEE TO CONSIDER GREATER DISPATCH OF BUSINESS

The house resumed, from Friday, October 18, consideration of the motion of Mr. Pearson (for the Secretary of State):

That a select committee be appointed to consider with Mr. Speaker the procedures and organization of this house, for the purpose of suggesting any changes that would assure the more expeditious dispatch of public business and would strengthen parliament and make it more effective; that the committee have power to send for persons and papers; that it report from time to time its findings and recommendations to the house; and that it consist, in addition to Mr. Speaker, of 14 members to be designated at a later date.

Right Hon. L. B. Pearson (Prime Minister): Mr. Speaker, I shall only require a very few minutes to complete my contribution to this debate, as I am sure the house is anxious to deal with this matter and get the committee set up so that it can go to work; and when the committee reports later on its activities we can debate its recommendations.

When I finished the other day I was talking of one change which might be useful, and that was to extend and make more effective the committee work of the house. Last January the hon. member for Inverness-Richmond (Mr. MacEachen) who was then in the opposition, when discussing this matter asked some questions which I think bear repetition because they do deal with this question in a very succinct and useful way. As reported on page 3284 of *Hansard* he said:

I ask myself whether there are important changes which can be made in the rules of the house which would effect real economies in time. We have reduced the time on the address. Shall we reduce it two more days and thereby deny more members the opportunity to take part? Shall we reduce the budget debate and thereby deny more members an opportunity to take part? Shall we reduce the number of supply motions and deny private members an opportunity to raise votes of non-confidence against the government? Shall we reduce the number of readings of a bill? Shall we have only one reading and pass the bill at one stage? This is the kind of important change which will have to be made in the rules in order to effect real economies.

I think, Mr. Speaker, he could also have asked another very pertinent question: Shall we do away with the resolution stage of a bill?

Mr. Winch: Yes.

Mr. Pearson: The resolution stage had very great meaning in earlier years, particularly in the 18th and 17th centuries, but it does not seem to me to have the same kind of meaning today. It takes up a lot of time and results in a good deal of repetition of debate on a particular subject. Perhaps this is something which could be changed, though I agree that the committee would have to look into matters of that kind very carefully. While the committee can, and I am sure will, do a thorough job under your leadership, with the learned assistance which you, Mr. Speaker, will receive, perhaps there are things which we can do at once by agreement of the house after discussion among the leaders of the various parties. Perhaps there are things we can do now while the committee is at work—and it may take many weeks, indeed months, to complete its work—which will increase the effectiveness of this house during this particular session.

This subject was discussed a year ago, in November and December of 1962 and January 1963, during the previous parliament. I remember speaking in that debate in respect to the proposals which were made at that time to speed up the work of the session, proposals which incidentally did not come to anything. Perhaps these might be revived now, and after discussion with the leaders of the parties we could put them into effect immediately. I said, as reported at page 2835 of *Hansard* for December 19, 1962:

We have agreed—

and by "we" I meant our own party which was then in opposition, and other opposition parties—

Mr. Churchill: No, that is not right.

Mr. Pearson: All right, I will refer to our own party. We discussed this matter with other opposition parties at the time, and with my hon. friend too; but I will restrict my observations to my own party. I said:

We have agreed to the allocation of time to specific legislation. That would be done by agreement, and it is a very important concession for an opposition to make.

This would mean, Mr. Speaker, that by agreement—and this is done regularly in Westminster—we would allocate a certain number of days considered appropriate for each piece of legislation to that legislation, and at the end of the agreed allocation of time the vote would then be taken on the various stages of the legislation. We on our side, when we were in opposition last year, agreed to that. Then I went on:

> We have agreed to a reduction, if it is a reduction, to 30 minutes of the time spent on oral questions on orders of the day—

Speaking on this same matter a few weeks before, a very distinguished member of the government of that time had this to say, as reported on page 2011 of *Hansard* for November 26, 1962:

> I think that the number of these questions could be greatly reduced; and if we were also to have a self-denying ordinance that, under ordinary circumstances, we would not go over half an hour on questions before orders of the day we would save 15 full days in an ordinary session without, as I see it, losing any ground that might be gained through questions or in any way interfering with the rights of the opposition.

That was the position taken at that time, Mr. Speaker, by the right hon. gentleman who was then prime minister and who is now Leader of the Opposition (Mr. Diefenbaker). There is something else which by agreement we could surely consider at once, because I believe a year ago we had come to virtual agreement on it.

Then a third proposal which we put forward, with which we in the official opposition were in agreement at that time, was this. I said in my remarks on December 19, 1962, as reported at page 2835 of *Hansard:*

> We have agreed to the prolongation of each day's sitting beyond ten o'clock if that should be necessary to complete the current business before the house or the committee of the whole.

These were three specific suggestions put forward at that time and given a great deal of consideration by the other parties. They were proposals which would have resulted in increasing the effectiveness of the work of the house; and I would hope that while this committee is going into this matter in depth perhaps we could agree to those three proposals which were discussed last year. We could agree to them at once and, perhaps, discussions could be held without delay for that purpose.

Mr. Churchill: Would the Prime Minister state to the house why those proposals were not accepted by the house as a whole? They were acceptable to the government.

Mr. Pickersgill: And to the official opposition.

Mr. Pearson: I am speaking for this party, which was the official opposition at the time. We accepted those proposals. I am well aware of the circumstances surrounding the situation, but I think it would be better to let the leaders of other parties speak as to their own attitude. I believe it is more important to see whether we can reach agreement on this matter now than to worry about why we were not able to reach agreement on it a year ago.

I commend this resolution in the hope that the committee will be set up and that its findings will be acted upon as soon as possible. May I also express the hope that we can, pending the report of this committee, agree on certain measures which will speed up our work and make the House of Commons more effective.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I agree with the Prime Minister (Mr. Pearson) that everything possible should be done to bring about efficiency of operation and the expedition of business, provided the inherent rights of parliament are not interfered with. The right hon. gentleman spoke the other night of the cynicism toward parliament which finds expression through various persons outside the House of Commons. They speak of parliament as a place where work is not done and where wrangling takes place. They often claim that business, if it operated in the same way, would not be very successful.

Well, we have had a number of businessmen come into parliament in recent days and weeks and they have found that the methods of business are not entirely in keeping with the deliberative nature of parliament. I have not anybody in mind at the moment, but I feel sure there is one or another among those sitting opposite who would entirely agree that the expressions uttered by him or them before coming into parliament have been greatly diminished, in the light of experience, and with a greater knowledge of the operations of parliament and its traditions than could be gained outside this chamber.

I believe, with the Prime Minister, that the parliamentary machinery needs to be examined from time to time and that we must make parliament effective, for a parliament which is not effective can lead to the establishment of dictatorship as an alternative. Parliament is judged by the way in which it transacts business. Again, I say that expedition and efficiency are important. At the same time, there must be no sacrifice of the essential rights of parliament. What I intend to do is to refer in general to some suggestions and ideas which have come to me during the years. I think that on three occasions when I was prime minister we brought before the house a motion to set up a committee such as this. There was a fourth occasion when

one of the members of the Social Credit group did the same. Parliament today includes a number of members who sat on those committees. There was a surprising degree of unanimity that something should be done. Changes were made as recommended. Other suggested changes were not put into effect.

When I read all the criticisms of parliament, my view, after many years of membership here, is that while parliament has shortcomings, without it there cannot be freedom. To overcome these shortcomings while remaining a bulwark of freedom, parliament must constantly change in order to meet changing conditions, at the same time remaining changeless in its basic concepts and traditions. The Prime Minister dealt with the old days of parliament, with the beginnings of parliament. There has been bitterness in debate in parliament in every generation. The traditions of parliament carry us back four or five hundred years. The space between the Prime Minister and myself, as everyone knows, is that distance which will allow our sword points to touch; beyond that we can go no further. We do not carry swords any more. We use, on occasion, rapiers of debate which do not require this distance between us. But the tradition remains.

I, for years, have felt that to raise the debating strength of parliament one of the first things we might do is to remove these desks. In the mother of parliaments, debate is much more effective, because of the difficulty of finding a place on which to lay one's notes, than it can ever be in a place where all of us have before us our notes or supporting material. I read of Salisbury, Disraeli, Gladstone and Asquith who were able to speak almost interminably without notes. It was said of Balfour that most of his great speeches found their entire outline on the back of an envelope. Again, we must realize that they spoke in days when there was not that complexity, that variety in affairs, which denies anyone today the possibility of fully absorbing all the information necessary to discuss these various matters and to deliver speeches thereon with few notes.

I had that in mind—the removal of the desks. I will be frank and tell you, Mr. Speaker, that the idea was not very popular among some of those within my own party. A member once said to me, "If you do that, who is going to speak?" The same applies to members in all parts of the house. However, if we were to bring about this change, which I found myself unable to do, I think we would establish the number one prerequisite to a great House of Commons. The result would be shorter but more effective speeches.

In the old days the members of this house used to make long speeches. One has just to look at the debates of the House of Commons in 1885 on the Riel rebellion to realize how long speeches were in those days. I think the first four or five speeches were four or five hours each. Sir John felt he could summarize the whole matter in four hours. Those were the days of long speeches and short parliaments.

What are some of the suggestions that I should like to place before the house? The Prime Minister has mentioned the question of committees. I believe in committees, but experience has proven to me that if we endeavour to place controversial matters before committees they are not effective. Committees operate well in the field of external affairs. The public accounts committee has worked out very well. My suggestion brought about a change whereby you, Mr. Speaker, became chairman of that committee and whereby today the hon. member for Peace River (Mr. Baldwin) is chairman of that committee. But I have seen many other committees operate in which questions of a controversial nature were being discussed and which emasculated those committees and made them ineffective.

What are some of the suggestions that might be followed? One that has been made before concerns research facilities. There is not available to any member of parliament, except those on the treasury benches, the research facilities that should be available to all members. How to bring this about is a difficult question. We cannot communicate with the civil service. To do so would be unfair to them. It would place them in an impossible position. But I think one matter that should be studied carefully is how to bring about in connection with the House of Commons a group of research officials that would be available to all members.

Mention was made by the Prime Minister of the limitation of question time. When I first entered the House of Commons Mr. King was prime minister, and if there were more than one or two questions we thought that bedlam had broken loose. From about 1949 on the number of questions has gradually increased. When we were in government the number increased to an extent beyond anything that had been seen before. Today a similar situation prevails. Provided the answers given by the government are not evasive, provided they place the facts before us, provided they do not hide and cover up, as was alleged today and last night, I would be inclined to believe that if, in addition to the regular questions on the order paper, we all agreed to the self-denying ordinance to which the Prime Minister made reference, oral questions

could very well be limited considerably. To what extent would be a matter for determination and recommendation by the committee. In the United Kingdom the period is an hour and that covers written as well as oral questions.

Mr. Pickersgill: And it is not every day.

Mr. Diefenbaker: As the Secretary of State (Mr. Pickersgill) says, it is not every day. Speaking from recollection, I believe it is four days in the week. But when ministers start to hide and conceal and fail to reveal the true facts a private member in the United Kingdom then has the right to give 12 hours notice that there shall not be adjournment at ten o'clock but that he shall be able to bring before the house his cause of complaint. This is a very effective method. If it were introduced here I think it would be very helpful because it would assure that if the opposition was restricted in its questions it would be able to place before the house and the country the failure of the government, should it fail, to give proper answers.

I picked up at random *Hansard* of the British House of Commons for July 10, 1963. The house was ready to adjourn at 9.55 p.m. Mr. Patrick Wall, the member for Haltemprice, placed his views before the house and, having done so, the house finally adjourned at 29 minutes past ten o'clock. While the time during which questions can be asked in the British House of Commons is restricted, when the answers are not in keeping with the facts or for any other reason a member may move, and the motion is always accepted, that the house do not adjourn this evening at ten o'clock.

I come now to another matter raised by the Prime Minister, the question of whether or not there should be a debate at the resolution stage. I believe there should be and that it should be continued. There are some pieces of legislation where it is not necessary. There are others where suggestions, recommendations or criticisms made in the house cause the government to change its viewpoint. We have had a number of examples of that during the present session to which I am not going to allude at the moment. But it was as a result of the opposition's stand in the debate on the resolution stage, which some people called obstruction, that the great plans of the government were changed.

As far as the speech from the throne and budget debates are concerned I sometimes think that we take more time than is necessary on them. There used to be unlimited time, and when there was unlimited time for discussion on this matter parliament took little more time than it takes today with the present limitation because, sir, as soon as you impose a limitation as a maximum that limitation tends to become the minimum.

In the days when the hon. member for Huron (Mr. Cardiff) first came into the house, we had the right to speak at great length. We had 40 minutes; but as the minutes were reduced the time for debate continued to be as long as previously. People spoke at shorter length, but if today an hon. member having the opportunity to speak for 40 minutes speaks for only 20 minutes everybody wonders why he did not use up his time. This is one of the effects of placing limitations on speeches.

Something else which has brought about the interminable length of discussion is the multiplication of parties. They all want their say, and it is much easier to arrive at rules to bring about expedition in parliament when there are two parties than when there are four and a half, or five.

What about supply motions? We fixed the time for two days on supply motions and used those two days on practically every occasion. I have often felt that if we were going to have six supply motions in a session it might be well to reduce the time to one day for five of them, with two days devoted to the first. I also feel that we could make a change whereby the government would move supply immediately after the speech from the throne, and have a two day debate at that time so that the estimates of various departments could come before the house, and so that we could put our teeth into something immediately without unnecessary delay.

What about the votes? Well, if there ever was anything more wasteful than the way in which we register a vote I do not know what it is. The other evening we waited and waited for an hon. member who apparently was having dinner or something. I am not going to identify him but we waited a long time for him. He represents a small party that has shown a pathological adherence to supporting the present government. The house was kept waiting for him, and this has happened on other occasions.

I do not suggest the introduction of mechanical devices. I have seen them in operation. We are in the age of automation, but I dislike seeing some of these pushbutton appliances whereby red or blue colours are shown when a vote is registered. I do not know what the disposition of colours would be for the parties to my left, what they would be in this present spectrum, but that is the way these appliances operate.

However, we waste 15 or 20 minutes waiting until hon. members are brought into the chamber. Why should we not be able to vote at 8.15 o'clock instead of waiting until almost

8.45 as we did last evening? Mr. Speaker, do you realize how long it takes for a vote in the United Kingdom parliament? The time taken is about two minutes. Members either go into one lobby or another and the speaker designates two tellers. It takes three minutes at the outside, and I ask why not make that change?

One year we had some 60 votes. Multiply 60 by 12 minutes and you have several days that are used up in voting. This is something that will not detract in any way from the dignity of the house. The British parliament introduced it in 1906 and there has never been any question about it since. I might read from May's Parliamentary Practice on this subject:

> The present method of taking divisions in the House of Commons was introduced experimentally in session 1906... On a division being called the speaker or the chairman, as the case may be, gives the order "clear the lobby", and the tellers' doors in both lobbies are locked. After the lapse of two minutes from this direction the speaker or chairman again puts the question, and the ayes and noes respectively declare themselves.

There, sir, is something simple but effective in saving time without interfering in any way with the dignity of this chamber. I have seen nothing undignified in a member standing, being identified by the teller and then by the clerk, and finally the totalization being placed before you.

There is also the question of the working hours of the house. We extended the hours recently, but I see no reason that we should not be sitting longer hours right from the beginning of the session. I know the difficulties of the government and I know the load that rests on the Prime Minister's shoulders is very great. But in the British House of Commons the prime minister does not come into the house every day. When questions are asked he is there for the questions asked of him. He answers those questions and he leaves. There is no reason today that a man occupying the position of prime minister—except when there is a controversial matter before the house—should be here and be required to stay throughout the period of orders of the day.

There is a change that could be made by altering the present system for questions. In the British house the government is never taken by surprise. The questions appear in numbered form on the order paper, and when it comes to No. 40 the questions to the Prime Minister appear. The only oral questions are the supplementary ones. I think our whole question period and the manner or carrying it on should be considered in detail and some recommendation made.

Then there is the organization of business. How often I remember hearing the Secretary of State speaking about organization, with the knowledge he gained from being in the gallery as secretary to a prime minister, not as the grey eminence but as an eminence behind the prime minister. He used to ask, "Why don't you organize? What is wrong here?" He said to us, "Why don't you get along with the business?" He is not saying that any more, because he is the organizer and has found that the difficulties with the rules make it impossible for him to proceed with that sense of direction and certainty, qualities that were his when in opposition. I have often thought that the orderly dispatch of business would be more effective if a matter was brought before the house and proceeded with until concluded. If that rule were in effect, it would have played havoc with the pensions scheme; it would have played havoc with the Canada development plan. Both these measures seem to have become covered with weeds, weeds of uncertainty.

I mentioned the question of the estimates, in passing. I think that one of our responsibilities is to carefully examine and scrutinize the estimates. That is not done today; the important estimates are not brought in until near the end of the session. There is the Department of Agriculture. That is a very important department. All of us are looking forward with anticipation to hearing the Minister of Agriculture (Mr. Hays) let us in on the secrets of his department. He has been denied that opportunity. And so I could go on. This and other important departments have not been touched. In connection with the question of estimates, I think we have possibly gone too far in the matter of debating the individual items. If the estimates of the Department of Agriculture were called and hon. members could say they wanted to deal with this, that or the other phase of those estimates, I think we would save a great deal of time. In the United Kingdom their debates on the estimates are effective, but they are not concerned with the individual item, excepting in so far as it is a matter of particular attention.

Many of the estimates, those which concern non-contentious departments, could be sent to a committee for study. We have found how this system operates in fields that are non-controversial. I read criticism in the press with regard to obstruction. That has always been charged. When we sat on the other side of the chamber we contended—and at the moment I am being far from partisan—that we were being obstructed. Today those occupying the government benches say the same thing. But, sir, is it obstruction to stand firmly against something

that you believe to be wrong? If it had not been for the stand of this opposition would the 30 per cent securities tax not have been continued? We saw it was wrong, and we said so. If it had not been for the opposition, would there not be today an 11 per cent sales tax on building materials and production machinery? If there had not been an opposition would the old age pensioners be getting the $10 extra at this time that was promised them? The government always contend that any argument against their policies represents obstruction.

I look at the order paper. Mention was made of this matter today by the hon. member for Winnipeg North Centre (Mr. Knowles). I ask hon. members to look at this order paper. What are we obstructing? What is the government's program? Where is it? Well, there are 27 items here. There are only one or two measures on this order paper that require early attention. The first item on the order paper is the surcharge measure. Then there is the bill to amend the Northwest Territories Act, and the bill respecting the Nunassiaq territory. There is the measure to repeal the Newfoundland Savings Bank Act; that is No. 4. The fifth item concerns public harbours in Ontario; the sixth concerns the Bankruptcy Act; the seventh has to do with the Income Tax Act. We are all paying this income tax, but the bill has not yet been passed.

Then there is the bill to amend the National Harbours Board Act, and that concerning the Carriage by Air Act. There are eight items in a row that, with the exception of the income tax measure, are not by any stretch of the imagination matters that are part and parcel of the government's plan. Next is the Department of Agriculture, the division into east and west. When we watch the Minister of Agriculture in action we wonder why they want to divide him up. Then there is the measure with respect to the Canadian National Railway Company; then the measure to further Canadian participation in the development of industries and undertakings in Canada and development of our resources and industries. This measure is also concerned with the setting up of the Canada Development Corporation. That seems to be one of those things that was thought of, written of and now, when it is to be brought to the House of Commons, this troubled government finds it will have to be changed.

The measure to amend the National Housing Act is of some importance. Then there is the resolution concerning the setting up of a joint committee to inquire into the question of consumer credit. There is the matter concerning the setting up of the committee on railways, air lines and shipping. Mr. Speaker, that is No. 15. No. 16 is the measure to establish the Canada pension plan, which was born in hope and died in despair. They failed to obtain the agreement of the provinces and it now seems to belong to the ages.

One could go through the remainder of the items on the order paper. There is the measure to amend the St. Lawrence Seaway Authority Act in order that the authority may borrow additional money. Nobody is going to discuss that item at length. There is also the resolution in regard to grants to be made from the railway grade crossing fund. There is the measure to pay a salary not exceeding $400 a year to a surrogate judge in admiralty. These are not important matters. There is one exception: The measure in respect of the Technical and Vocational Training Assistance Act is important. There are only four pieces of legislation in that whole list which are of importance, and if they were brought before the house I am sure there would be general agreement in support of those principles.

The organization of the house is what is necessary, as the hon. gentleman has said on so many occasions. I read in the press about the obstructive tactics of parliament. I mentioned the other day something that I hope hon. members will take the trouble to look into. I refer to the debates in the Canadian House of Commons in 1912 and 1913. I would ask hon. members to first read what Sir Robert Borden said in his memoirs at pages 411 to 420. The debate began on January 14. They apparently went on day and night and the debate dragged on until February 27, when a motion was made that the bill be not proceeded with until after redistribution. Read what Sir Robert Borden writes. These were the great days, remember; the days of Borden and Laurier, when parliament was so effective. What happened?

Sir Robert goes on to say:

> —at midnight Sir Wilfrid asked for adjournment and I asked for progress. At one a.m. I again asked progress and he asked adjournment. At two a.m. he moved a dilatory amendment. At 3.45 a.m., I went home leaving the opposing forces in line of battle; and I returned at 9.45 a.m.

Those were the great days of parliament. Today, we are criticized for not being in the house. Well, in those days the debate went on night and day until Saturday, March 8, at two o'clock in the morning.

Then, Sir Robert says this:

> Members on each side were divided into three relays or shifts and were on duty for eight hours at a time. We had to adopt unusual precautions because we did not know at what hour the opposition might spring division and have a majority concealed and available.

Sometimes when I look over at my hon. friends opposite, I watch the Secretary of State as he goes through the counting process. Sometimes when he comes over to this side of the house I suspect that he is looking around to see whether or not the hon. member for Red Deer (Mr. Thompson) and those associated with him are still here.

I return to what Sir Robert has to say:

On Monday March 10 I held caucus—

On Friday, March 14, and again on the following day the debate became so violent as to occasion apprehension of personal conflict.

I am just reading the account of one debate. Those were the days when the debate was so bitter that there was danger of violent personal conflict. Then, he said:

After two hours' sleep, I had returned to the house on Friday afternoon. As midnight approached the Speaker twice had to take the chair amid scenes of great disorder.

The point I am making is this: People talk about obstruction now, but there was no criticism in those days when strong men took strong action. Finally, he says that things quietened down after he spoke briefly in French. I am sure if the right hon. Prime Minister or I ever tried that we would not have the same soporific effect. I continue to quote:

Considering in retrospect these weeks, the most strenuous and remarkable that have ever occurred in Canadian parliamentary history, I am satisfied that it was a mistake to carry out our tactics during the second week—

During that week the nerves of members on both sides were so frayed by excitement, strain and exhaustion that they lost in great measure their usual self-control.

This was parliament in the great days of Canadian parliamentary history. Then, he says that he went over to Sir Wilfrid, who was very angry, and Sir Wilfrid stated that he would give consideration to his request. Later on, Sir Wilfrid told him he was not prepared to make any arrangements. Sir Robert says:

I became greatly exhausted by the intense strain of the long debate, the night hours and the tumultuous scenes—

As was anticipated, Sir Wilfrid became violently enraged and his rage was shared by all his followers who made loud demonstrations.

Sir, when there are issues that divide us there must be nothing to restrict the freedom of debate. Furthermore, and this is as true today as it was when it was stated by Bagehot, the lack of great issues means the multiplicity of parties. In other words, when we have a great issue on which to fight we tend to coalesce. In those days to which I have been referring, this parliament stood out in its greatness and in some of the tumultuous scenes that are sometimes seen today.

I hope, sir, that we will be able to bring about changes in the rules. The failure of parliament to discharge its duty leads to contempt of parliament and parliamentarians. Without prestige you cannot discharge your responsibility. In those days, if any person were to flout parliament he was brought before the bar. In 1906, 1911 and 1912 the supreme court of parliament punished those who treated it with contempt and refused to follow the supreme laws that it had passed. The great danger in making too many changes in the rules is that this brings about a condition of affairs whereby the cabinet becomes even more powerful than it has been. The trend has been in the last 35 or 40 years for the cabinet to become all-powerful.

In the United Kingdom Lord Home assumed the prime ministership the other day and was the 45th prime minister since Walpole. However, the changes that have taken place since the last five prime ministers have held office have completely altered parliament. More and more the private member of parliament is of less and less importance. More and more the prime minister and the cabinet become all powerful. It is for this reason, as private members of parliament, we have to guard against too great changes in the rules. If there are too great changes, we may very well deprive the private member of rights of which he ought not to divest himself.

What we want to assure in parliament, as I see it, is that in debate we will provide the people with the information and facts. Only when the people know the facts can parliament properly operate. No matter what is said in parliament, unless it is given publicity either in the press, T.V. or radio, it is ineffective. The strength of the British parliament has been that the views of both sides, government and opposition, have received attention in the press. In other words, in order to stimulate interest and to maintain parliament, there must be the widest dissemination of news. I picked up a copy of the London *Times* when I was in my office and noticed something which I think is important. This is a July issue when parliament was sitting. This is the way parliament and its activities are described in the British press. There is a reference to the house of lords; then, the questions in the house of commons. Over here is the back bench and miscellany; "Macmillan brings M.P.s news from Moscow." There is almost three quarters of a page dealing with each and every member who participated in debate, thus enabling the people to have the facts. These are the elements that make for a strong parliament and give members a desire to bring up the things that they have in mind.

The important things are the ability to co-operate amongst ourselves; the ability to co-operate with the government on the things in which we all agree and to disagree strongly when we do disagree. Above all, the people as a whole should be provided with information as to what is happening in the house. The people should be given the story of parliament as it is. There is nothing more distressing to a new member of parliament, or even a backbench member who has spent time preparing a speech, than to find that, having worked on it for days and having made a study of the subject, he does not get any reference in the press. On the other hand, if the same member were to use language which was unparliamentary he would then be assured of publicity.

What I have said this afternoon has simply been a desire to indicate that we of the opposition, and I as Leader of the Opposition, want to co-operate to the fullest extent possible with the government and leaders of the other parties in bringing about in this house rules that will make parliament more effective than it has ever been before.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, the members of the New Democratic party have already indicated their willingness to pass this motion setting up the parliamentary committee, either without any debate at all or with a restricted debate. We believe that the main discussion should take place in the committee and that we should get the matter to the committee just as quickly as possible. Therefore, unless the debate is an extended one we certainly will not be doing anything which will protract discussion on this motion.

However, I want to make a few observations. The New Democratic party believes that far reaching changes are necessary in parliament's methods of conducting the business affairs of this country. The reputation and functioning of parliament are in doubt. We ought to be frank and face the fact that there is growing criticism of parliament, some of it unjustified but most of it deserved. Parliamentary democracy is on trial today, and hardly a month goes by but that we read of some country in which democratic parliamentary institutions have been swept aside and replaced by a dictatorship of one form or another. If parliament is to survive as an institution it must be able to adapt itself to the pace and complexities of this modern age.

There is no doubt about the need for streamlining parliamentary procedures. There are more decisions to be made today and there is less time in which to make them. Communications have so improved in our modern society that the public is better able to assess what parliament is doing and whether or not it is doing an effective job. The public are demanding more efficiency in the conduct of business and they are asking for speedier processes in the reaching of decisions. It is true that parliament is a forum for the discussion of public affairs, but we should not lose sight of the fact that it is also a workshop where the country's housekeeping business is done.

The point we want to stress, a point which we hope the committee will keep in mind, is that this question which we are referring to them is not something for experts alone. In the past we have tended to look upon parliamentary procedure as the sole prerogative of insiders who are steeped in legal precedents and historical practices. We believe we have to bring this whole subject out into the arena of public debate and take a fresh look at the role of parliament. The mere reshuffling of the rules is not enough; the role and function of parliament itself needs to be examined. I hope that when the committee is set up it will call witnesses, bring in some of the professors of political science across Canada and people who have made a study of parliamentary government, so that it can take a broad look at this question and not merely spend its time tinkering with a few of the rules.

I am sorely tempted, Mr. Speaker, as must be every other hon. member who speaks in this debate, to suggest changes which the house ought to make in its procedures, such as sending more departmental estimates to committees, appointing a permanent speaker, a daily roll call of members, a reorganization of the question period, the elimination of the resolution stage in introducing bills, and empowering committees to sit between sessions of parliament. All of these are things one might like to discuss and elaborate. But that is not the purpose of this debate; it is the function of the committee to look at matters such as that, and to discuss them.

There is one thing the committee might consider, and it is that one or two of these more self-evident changes could be submitted back to the house in an interim report, on which the house could act fairly soon, the broader question being left to the committee to report on in its final report. The purpose of this debate, as I see it, should be to state guide lines for the committee, not to start doing their work for them. I think we should be suggesting to the committee the need for a reorganization and a re-examination of parliament's basic functions in an age of speed, in such a way that parliament can best serve the needs of a complex and industrial interdependent society.

It seems to me that if we are going to have this re-examination of parliament's basic role in our democracy, there are two factors we should keep in mind. The first factor is that there is today a greater complexity in the conduct of public affairs. Government now touches people's lives at more points, and government decisions are of greater concern to the average citizen than they were 50 or 75 years ago. Because parliament is not geared to deal with this complex interdependent society, the tendency has been to vest more and more power in the hands of the cabinet, and especially in the hands of the prime minister. Consequently, there is a real danger that parliament will become a mere rubber stamp the function of which will be to debate cabinet decisions, with no role whatsoever in the decision making process itself. I think this is the reason why so many members become frustrated and impatient. I think the average private member wants a role which is more meaningful than merely pounding his desk for the Prime Minister or the Leader of the Opposition when they engage in verbal fireworks.

Not only must we look at the role of parliament in this complex society, but I hope the committee will give some thought to evolving an effective role for the private member both on the government side and on the opposition side. As I see it the opposition is not elected just to oppose; that to me is an invalid proposition. I think opposition members have a responsibility to scrutinize all public expenditure, to offer alternative proposals and to put forward new ideas for consideration by the government. To do this, they must have information and they must have access to vital material through appropriate parliamentary committees. If they do not get this information, the opposition has no function other than one of tawdry deviousness or petulant needling combined with shrill partisanship, which tends to emphasize points of difference rather than areas of agreement. Secrecy always leads to mistrust. The best way to remove suspicion is to give the private member the right to be informed.

I think government members need to have a more effective role to play. They should not be looked upon just as a voting bloc to approve cabinet decisions and force them through the house. We need to devise methods by which members on the government side have a part to play in the decision-making process itself. In this as in every parliament, a great deal of talent is going to waste, particularly on the government side, because opposition members can, of course, use their time asking questions and doing a great many other things. I think we need to devise a parliamentary system which would loosen the reins of cabinet control and give private members a more effective part to play. This will not be done by merely changing a few rules in the rule book. We need a new concept of the role of the private member in a democratic institution.

Having said this, I agree readily that in the final analysis the successful operation of parliament must depend on the sense of responsibility which is exercised by individual members. No amount of alteration of the rules will improve the situation unless we have a government and an opposition which are determined to make parliament an effective instrument. If we have a government which is indecisive or autocratic, on the one hand, or an opposition that is obstructive and irresponsible on the other, then certainly parliament will lose the respect of the public. The final appeal to all of us must be to put parliament before party and to put democracy before partisanship.

The house is giving to this committee a heavy responsibility at a time when democracy is undergoing careful scrutiny and examination. As far as we in the New Democratic party are concerned we assure its members of our co-operation as they seek to make parliament a more effective instrument of the people's will.

Mr. R. N. Thompson (Red Deer): May I say on behalf of the Social Credit party that we readily lend our support to the motion to set up this committee. We think it should come into being with a minimum of debate or, if possible, without any further debate, because I believe it is the responsibility of the committee to make the recommendations which all agree are so urgently needed.

The events in parliament this session, even those of today and last night, as well as of the last few days, show clearly enough how greatly a complete overhaul of procedure is needed. In the wisdom of hindsight, I sometimes wish the Glassco commission had been asked to take a look, even if in confidence, at the workings of this body of which we are all members. There is much criticism today throughout Canada regarding the functioning of parliament. Some of us may say it is not justified. Some of us might say the press has overemphasized certain aspects. But I believe there is no way whatsoever in which we can justify some of the things which take place in this house. I was shocked when I picked up a copy of the Ottawa *Citizen* of October 8 and read that 13-year-olds who had visited this house were ashamed of the antics in the Commons and had stated the reasons for their opinion. At about the same time Toronto newspapers carried a condensation of editorials which

had appeared across Canada on this subject. Invariably these editorials called attention to examples of the gross inadequacy and inefficiency of our operations here. This is the image of parliament that is being put before the people. Certainly, people living in a democratic society such as we have in Canada ought to have much more reason to take pride in the institution of parliament.

The Prime Minister mentioned this afternoon that there might be some things with regard to which we could take immediate action, if agreement could be reached among the various groups in the house pending the report of the committee. I think that is a positive suggestion and we would be happy to co-operate in any possible way in which this could be done. The Leader of the Opposition spoke about the preservation of freedom as it relates to the basic rules of parliamentary procedure. I suggest that a few changes which would help parliament to function more effectively will not destroy the freedom which, we all agree, centres on a democratic House of Commons such as this is. On the contrary, they will strengthen it. We must not deceive ourselves by allowing ourselves to become encrusted with the attitude which develops through spending long hours in this building, forgetting what the people outside are thinking.

It seems to me that much of what goes on here is done with a desire to play to the galleries, in the hope that someone will get a headline, instead of working toward the objective, which should be our responsibility, of getting the work done which we have been sent here to do. It is therefore imperative that we arrive at some basic reforms in our procedure. I agree with the hon. member for Burnaby-Coquitlam (Mr. Douglas) that it is not just a few alterations to the rules which are needed, but a complete overhaul in order to adjust the functioning of this house to the times in which we live. The improvement in communications alone makes the situation today entirely different from the situation which existed in the days when many of these rules and regulations under which we now operate were formulated.

One of the dangers we face is that the bigger and bigger schemes which the government is continually introducing cannot be adequately supervised, because the supervisory machinery of parliament is becoming so overloaded that it is breaking down. That is one good argument in favour of a private enterprise society. We should all keep this consideration in mind as new plans are introduced for still more far reaching activities on the part of the federal government.

We, as a house, now cost the country more money than we did twelve months ago. The cost of our wasting time is correspondingly higher. Therefore we have the added responsibility to make sure that we do provide at least some measure of efficiency. The rules of procedure in this house have often been compared with the rules of driving. Let us remember it is not simply good rules that are necessary but good drivers. In our case it is good parliamentarians. Everyone notices the bad driver, just as they do the politician who makes the most noise. The good driver and the good parliamentarian, I believe, is usually the man who gets on with the job without attracting too much attention or causing annoyance to his fellows. In this regard it is important that we remember the human element. We must also remember that it is the welfare of our own citizens and not the political parties to which we belong that we are paid to represent in the House of Commons.

I am not as experienced with the functionings of parliament as many members of the house are, but it has been my privilege to visit, observe and study the functioning of democratic parliaments in many different countries. It has even been my privilege to sit on committees that have been responsible for the setting up of parliaments initially in some countries where parliaments in the democratic sense of the word had not been known before.

Just recently I have been to New Zealand and Australia and I should like to share with the house some of the things I observed there, in order to show that other legislative houses pledged to the same freedom and the same type of democratic, parliamentary government that we are, have met some of these problems ahead of us, and as a result are much more effective and efficient in what they are doing.

In New Zealand, for example, there are no Monday sittings at all. There are 23 hours of sittings a week extending between Tuesday afternoon and Friday afternoon. In New Zealand the question period is limited to 30 minutes and unanswered questions have precedence the following day. An urgent question for oral answer must be submitted in writing to the minister concerned and to the Speaker, and it is in the Speaker's discretion whether he allows it to be asked. The last 30 minutes of each sitting day are taken up with a debate on the adjournment with speeches limited to five minutes in order that half a dozen speakers may have an opportunity to participate in winding up the debate. The normal length of speeches allowed to any individual member is 20 minutes. Division

bells are rung for only three minutes. Only three speeches are allowed to a member in committee, the lengths of time of those speeches being 10 minutes, 5 minutes and 5 minutes. Except immediately following the budget, the government has the right to go into committee of supply without a debate. These are a few points that were very interesting to me as I watched the New Zealand house functioning.

In Australia the situation is a little different, but they also have solved many of their problems long before we have. Because of distances in Australia being comparable to ours, their situation may be somewhat more applicable. In Australia the problem about which we have been concerned here for the last several weeks, regarding the seating arrangements in the house and what constitutes a party, would never have arisen because they have a few simple regulations that spell out, a, b, and c, what constitutes a party and what constitutes the order of precedence in the house. There would have been no argument at all.

In Australia I was impressed that the house there sits only from Tuesday morning until Friday noon. The objective is to put the member of parliament back in direct contact with his constituents as much as possible. Their house only sits three weeks out of every four. You may say that this does not give them much time to get their work on legislation done, but their hours of sitting and their rules are such that I believe they get as much done in three and a half days a week and three weeks per month, as we do.

This arrangement permits cabinet ministers to catch up on the administration of their departments. It permits the government to plan its policies. These are the reasons as they were explained to me. It permits cabinet ministers to visit the country and to keep in touch with their own administration. It permits the members of parliament to do their work at the constituency level. Most of all, it permits the members of parliament and senators to find out what public opinion is and what their own constituents are expecting them to do. Members are allowed travel and telephone connection back and forth with their constituencies. Furthermore, their rules place the member's main responsibility to his constituency, and the government supplies a constituency office for every member. That is where the member's permanent secretary is.

I was interested to hear the remarks of the leader of the official opposition with regard to benches. Neither the New Zealand nor the Australian parliaments have desks like we have. They are debating forums and because of that I think they are much more realistically effective. I had originally disagreed with this idea until I actually watched these two parliaments functioning with no desks, in the same way as does the mother of parliaments. Having had some experience in this house I became convinced that this was a good idea.

Those are some of the ways in which these countries have met these problems. Australia has a controlled question hour and their regulations are quite similar to those in New Zealand. In addition, they have a permanent voters' list and as a result every person, whether he happens to be in hospital or in the foreign service in some other part of the world or in some other part of the country at election time, is able to vote because the annual voters' list is prepared and every voter's name is on the roll. This is a little outside the function of this committee, but it is an interesting point.

In an attempt to finish my remarks quickly, may I simply say that I think this committee has a great and urgent responsibility and that the members of the committee have an opportunity to perform a real service not only to this house but to their country. I might close with a few suggestions that I think are important, not that I think we should be telling the committee what to do but only by way of reviewing some of the things that are being talked about and which have been brought to our attention in the discussions we have had in the last several years. It is just about six o'clock, Mr. Speaker, but I will only take two or three minutes to complete my remarks if I may have that privilege.

Mr. Speaker: Is it agreed?

Some hon. Members: Agreed.

Mr. Thompson: Thank you very much. I think that our question periods should be limited and the rules permitting oral questions and oral answers should be more clearly defined. This period is one of the most fruitful of the day, but at present there is a great deal of unnecessary time consumed.

We believe that a time limit should be imposed on certain types of debates. The most glaring example is the unlimited time allowed for debate on the motion for interim supply. During the first session of the twenty fifth parliament the Liberals, then in opposition, abused the privilege just as much as the Conservatives in opposition are abusing it today. In fact—

An hon. Member: Withdraw that remark.

Mr. Thompson: —I recall that on one motion for interim supply the Liberals took seven days when the Conservatives were in office.

Mr. Churchill: Mr. Speaker, if the hon. member is going to insult one of the parties, in a debate which has been kept on a high level, we will have to call it six o'clock.

Mr. Thompson: I am not insulting anybody.

Mr. Churchill: I was prepared to go on for another half hour or hour to finish, but we are not going to sit here and listen to insults from a fairly junior member of the House of Commons.

Mr. Thompson: I am not insulting anybody—

Mr. Nowlan: Six o'clock.

Mr. Thompson: —and if the hon. member for Winnipeg South Centre thinks I am, his conscience must be very tender.

Mr. Nowlan: By the time you have been here for a year or two more you will know more about it.

Mr. Pickersgill: Mr. Speaker, I understood that a few minutes ago there was unanimous consent to giving the hon. gentleman three or four minutes more, and I hope we are not going to spoil this debate by withdrawing the consent already given. I believe I have an indication that there will probably be only one other speaker who will only be two or three minutes. I think the whole house would feel better if we could get this thing through tonight.

Mr. Thompson: Mr. Speaker, what I was attempting to say was not to insult anybody but rather to show that the fault exists in all parts of the house and it is time we put away some of the party differences and party lines that prevent us from functioning more effectively as a parliament. After all, each one of the 265 members of the house has his or her responsibility, and is involved.

I think what we should do is have a vote on interim supply the same day as it is introduced. Likewise, there are repetitious debates on government business that should be avoided. A full scale debate in the resolution stage, and a further wide open debate when a bill is introduced, takes up unnecessary time and is very repetitious.

The period allowed an individual member to speak in debate could likewise be reduced, but very careful attention should be paid to private members' bills. The rights of private members must not only be safeguarded but extended. This applies to a greater use of committees and also to private members' bills. In a modern parliament the backbencher can no longer be relegated to the role of a non-essential appendage.

Another aspect which should be carefully considered is the challenging of the Speaker's decision by an individual member. What we find here is that the right of challenging the Speaker's decision has become a tool for political manoeuvering instead of being the privilege it should be. It would be well for the committee to consider this aspect, particularly in view of the instances which have occurred in the last few weeks, when we have seen misrepresentation to the public, with the obscuring of the real issues originally involved in challenging the Speaker's decision.

During the last two parliaments there has come a greater responsibility upon the opposition in assisting the party with the largest majority, that is the government, to govern. I agree with the hon. member for Burnaby-Coquitlam (Mr. Douglas) that it is our responsibility in the opposition not just to oppose but to assist the government to govern. Co-operation in the house is not in any way a one-way street.

Some solutions will be very difficult to agree upon, but I trust this committee will at least be able to report on some of the glaring faults in our procedure where unanimity can be achieved. The nation looks expectantly to us to make an honest attempt to correct many of our weaknesses and move forward with the business that we were elected to do. It is our conviction and determination in this party to lend the greatest degree of co-operation we can towards that end.

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I wanted to make several remarks concerning the appointment of a committee on parliamentary procedure but, as it is already after six o'clock and in view of the fact that we shall have the opportunity to express our opinions and to advance arguments in committee, I think that it would be inappropriate to prolong the debate at this time.

We welcome the appointment of this committee on procedure because the procedure in this house has been inadequate for a long time since it does not cover all the events which may occur here. For instance, our group—maybe more than any other—has felt during the last fortnight the effects of that procedure, when events which had not been foreseen, did occur.

Therefore, we hope that, when the committee on procedure meets, it will move the adoption of an order to prevent, from now on, debates as long and as useless as those we have witnessed, when a decision could have been reached much more quickly.

We will support, on this side of the house, the setting up of this committee on procedure in order to give new strength to parliament and do a better job.

[*Text*]

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I do not intend to begin a lengthy speech but I hope to make some observations because, of all hon. members in the house, I think I am unique in having occupied positions on both sides of the house and, in addition the chair that Your Honour now occupies.

I do not think this is the time to enter into a litany of those matters where the rules might be amended. I would simply ask, without elaborating at any length, that if rules are to guard against irresponsibility, and we are assured we need more rules, have we therefore become more irresponsible? I do not think so.

I think the rules as they exist could lead to more effective business in the house if they were observed, and the question of observance of the rules is first of all a matter of knowledge of the rules. Here we can all say *mea culpa*, and some of us can say *mea maxima culpa*, but then comes the further point, and that is the sense of responsibility in the observance of those rules.

As I have said many times previously, the role of the Chair requires the active co-operation of the house, and if hon. members observed the rules of relevancy I think the problem the Prime Minister indicated about elimination of the resolution stage prior to a bill could be solved. If we were truly relevant we would not have this repetition of debate, because the resolution stage offers the opportunity to put forward alternatives. If we were truly relevant then on second stage we would stay within the confines of the bill under discussion.

I think the work of the committee will be very interesting, and I hope to be a member of that committee as there are many things on which I have very decided opinions to express.

Motion agreed to.

BUSINESS OF THE HOUSE

Mr. Churchill: I have one question with regard to the business for tomorrow. Would the house leader let us know what estimates will be taken up tomorrow night, and also on Friday?

Mr. Pickersgill: Yes, sir. Tomorrow night we would like to take up the Department of Fisheries and, if it should be concluded before the end of the evening, either the Department of Public Works or the Department of Transport would be available as a stopgap. I will let hon. members know later which one it will be because I have not consulted my colleagues. On Friday evening we will take up the Department of Justice, and the same provision for a second possible department would apply.

I take it, sir, that we could consider there is an order of the house that with the income tax measure, whatever stage we have reached at five o'clock tomorrow would be adjourned until Friday, so that we would quite definitely know we were going into supply at seven o'clock.

It being ten minutes after six o'clock the house adjourned, without question put.

HOUSE OF COMMONS

Thursday, October 24, 1963

The house met at 2.30 p.m.

NATIONAL DEFENCE

ANNOUNCEMENT OF CANCELLATION OF FRIGATE PROGRAM

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, in my presentation to the special committee on defence on June 27 last I stated that current procurement programs were being reassessed to determine if they would interfere with the exercise of future policy options. Included in the projects under review was the general purposes frigate program.

This project was approved early last year at an estimated cost of $264 million. This was only the cost of the ships themselves. A more detailed analysis of the cost of these eight ships, including support equipment for them, has resulted in a current estimate of $452 million. Even this figure would not likely be final, however, as some of the weapons systems proposed are still in the developmental stage. Certainly this means that some modifications would be inevitable.

While the cost of these ships has been a very important consideration, our review has taken into account other aspects. These ships were designed to provide in one type of ship an anti-submarine capability, an air defence capability for the fleet and the capacity to carry and land a limited number of troops and light equipment. Necessarily, in order to design all of these capabilities into one ship only modestly larger than the latest anti-submarine escort, it has been necessary to limit the capabilities in each field from those that could be achieved by more specialized ships.

As an anti-submarine ship the general purpose frigate would not be as effective as the latest R.C.N. anti-submarine escorts capable of operating and carrying the HSS-2 heavy helicopter. This helicopter can carry both a dunking sonar and a weapons delivery system. The general purpose frigate would carry a light helicopter which would have a weapons delivery capability only.

One of the central and most costly features of the general purpose frigate system is the provision of air protection for the fleet. This capability involves an estimated expenditure of $100 million for the missiles and associated equipment. The rate of technological change in these missile systems is considerable, and the next few years may see improved systems available at less cost measured in relation to effectiveness.

The general purpose frigate would have only a small troop carrying capacity. If it should be decided that troop carrying capacity is a requirement of the Royal Canadian Navy, it could be provided by more economical and effective means.

The immediate effect of this program in respect of employment in the shipbuilding industry is not great, because the first keel was not scheduled to be laid down until December of next year.

For these reasons, Mr. Speaker, the government has decided not to proceed with the general purpose frigate program. I would hasten to add, Mr. Speaker, that this does not mean the end of our ship requirements for the Royal Canadian Navy. On the contrary, we are carrying out studies to determine both the roles and tasks which will be assigned to our navy in the future and the most economical way of implementing them. In the anti-submarine warfare field, for example, we are studying the relative effectiveness of all known systems, including aircraft, surface ships and submarines. Our review is concurrent with the NATO review authorized at the ministerial meeting held in Ottawa in May.

In the meantime, we are aware of the necessity of keeping alive the skills which have been developed in our shipbuilding industry. We are considering accelerating the major reconversion program of the Restigouche class ships, after sea trials of operating heavy helicopters from the *Assiniboine*, one of the St. Laurent class, have been satisfactorily completed this winter. In addition my colleague the Minister of Transport has an announcement of importance to the shipbuilding industry.

On our part, we will complete our long range plans as quickly as possible in order that the placing of orders for future requirements will not be subject to undue delay, and in order that the Royal Canadian Navy will have the best equipment we can provide to carry out its tasks effectively.

Hon. Gordon Churchill (Winnipeg South Centre): Mr. Speaker, we have listened with interest to the statement of the Minister of National Defence, and we are very pleased

that he has made the statement in the house instead of letting it out through other channels, as has happened during the last several weeks.

We are rather disappointed that this very important matter could not have been discussed by the minister with the committee on defence which was set up for the purpose of considering policy, although the minister did say that we could discuss and talk about policy after he had decided it. With that committee sitting twice on Tuesday and twice on Thursday, it is astonishing that the minister could not have appeared before that committee today and given us this information. Perhaps he will appear this afternoon and give an explanation to the committee.

What the minister has decided and announced constitutes a crippling setback to the navy program. I do not know what effect this is likely to have on the Canadian navy and on its morale. Certainly the impact on the shipbuilding industry of this country will be very severe indeed, because plans had been made for the construction of frigates and the whole question of maintaining the shipbuilding industry is just as vital as providing the ships; it is part of the war effort which a nation has to put forward if it is to be effective.

I wonder what the minister will have to say now in this connection, on the cancellation of this tremendous program, when he recalls to his mind some of the things he said in this house when the aircraft program was altered a few years ago in connection with the Arrow. The hon. gentleman was at great pains to express himself then at considerable length. The committee on defence has now got the truth before it from the former chairman of the chiefs of staff committee.

We shall have to examine in detail the lengthy statement which the minister has made, but I think we can only express regret than an immediate alternative for the Royal Canadian Navy has not been presented today.

Mr. Andrew Brewin (Greenwood): I do not intend to make any comment on the wisdom or lack of wisdom attaching to the particular decision which has been announced, but I should like to join with the hon. member for Winnipeg South Centre in protesting against the way in which this announcement has been made.

The defence committee has been sitting. Ministers have appeared before it. This very matter was under discussion. Yet the Minister of Defence completely ignores the existence of the committee in his announcement today. It seems to me that if the minister had said something about this decision to the committee he would at least have been extending some courtesy to its members.

It seems to me that the hon. gentleman's approach is part of the wrong way of doing these things. What has happened, apparently is that a piecemeal decision has been made with respect to one aspect of Canada's defence policy. It seems to me announcements of this sort ought not to be made until the over-all scene had been reviewed—and I understood the defence committee was set up to carry out such a review—so that we might determine whether or not a particular program would fit in with over-all strategy. The advantage of this approach would be that alternative programs could be discussed.

We believe greater consideration should have been given to the over-all effects of an announcement such as this. We should have been told what the government had in mind to take the place of the former program and what arrangements, if any, were being made to reabsorb the workers who are likely to be turned out of work as a result of the dropping of this program.

Mr. A. B. Patterson (Fraser Valley): We also are perturbed by a number of factors relating to the announcement which has just been made by the Minister of National Defence. One very important point to which reference has been made is the relationship of the defence committee to the whole program of national defence and defence policy. During the past weeks there have been a number of occasions when announcements have been made or reports have been circulated as to changes in defence policy and plans having regard to matters that have been discussed in the committee and about which we received no answer there. Yet we find that in a few days or a short time later public announcements are made regarding these issues.

Along with other members I protest against the way in which this whole matter has been handled by the Minister of National Defence. It seems to me that the committee is being pushed aside and pushed around. It is given some very minor issues to consider, and decisions are made on major issues before the committee can bring in its recommendations.

We have had the assurance this afternoon that the employment factor is being given very serious consideration. I would urge that no interruption in employment be permitted if this change is effected. We recognize that there will be reviews of all these programs from time to time, but we must see to it that the labours and skills of those who are engaged in these programs are used to the maximum advantage not only of themselves but of Canada as a whole.

I believe reference was made to an announcement to be made by the Minister of Transport perhaps tying in with this matter, and we will be interested to hear what he has to say in this respect.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, from the statement made by the Minister of National Defence, it appears that decisions are made by the department, by the minister himself, without the knowledge of the national defence committee. That committee is made up of members representing the various parties sitting in the house. If the minister ignores the national defence committee, what could justify the setting up of that committee?

The purpose of that committee is to inform the minister and help him make decisions. The minister should not come here with statements and decisions arrived at without the knowledge of that parliamentary committee which should have its say in those decisions. And particularly, a department as important as the national defence department, which has to make decisions once in a while for the whole of the country, should not act that way.

[*Text*]

[*Later:*]

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 to give him the opportunity to reply which he did not have when we were on motions. Would the minister inform the house why he did not refer to the committee on defence for consideration and advice the plan he announced today for torpedoing the Royal Canadian Navy?

If the minister is unable to answer that question I might direct another one to him. Does the minister intend to refer any of these problems to the committee on defence before he makes a decision?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, first of all I will be glad to answer appropriate questions. Second, may I say I deny categorically the allegation which was inserted into the question of the hon. gentleman. May I remind the hon. gentleman and other hon. members that at various times I have volunteered to go before the committee and give evidence at any time the committee so desired. I have learned that the committee does not wish me to interfere in any way with their deliberations or their plans, and being a true parliamentarian I have tried to abide by this wish. I have tried not to interfere in any way. But my offer still stands. If the committee would like to have me appear there again in due course it would, of course, be very easy to arrange.

Mr. Churchill: A supplementary question, Mr. Speaker. All I am asking is, will the minister answer the question I put to him? Will he refer his plans to the committee for its consideration and advice before he makes a decision?

Mr. Diefenbaker: This was to be a policy committee.

Mr. Hellyer: This question is very similar to one asked some days ago, and the situation has not changed in any respect since that time. If the committee wishes to give advice on any of these matters their advice will be most welcome and will be given very careful consideration.

Mr. Thomas M. Bell (Saint John-Albert): A supplementary question for the Minister of National Defence. Will the minister make available at some appropriate time the full story as to the impact that this decision is going to have on the workers in the various shipyards throughout the country who have been counting on this work?

Mr. Hellyer: I would hope, Mr. Speaker, in view of the announcement made today by my colleague, the Minister of Transport, and other plans which the government will implement in due course, that the impact would not be too severe.

Mr. Bell: A supplementary question. Does the minister not realize that an entirely different type of work, which is of an electronic nature, is required in naval shipbuilding from what is required for transport activity?

Mr. Hellyer: I do not wish to carry on a debate at this time, Mr. Speaker, because there will be other opportunities for debate, but we are very much aware of this and as I announced today the major reconversion plans may be accelerated, subject to satisfactory trials this winter with just this point in mind that has been raised by the hon. member.

TRANSPORT

STATEMENT RESPECTING SHIPBUILDING PROGRAM OF DEPARTMENT

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I wish to make a statement regarding the shipbuilding program of the Department of Transport over the next few years. The department has completed its review of vessel requirements during this period and is proceeding with the implementation of a program for new ship construction which will cost close to $110 million

and which will involve the letting of a series of new ship contracts during the years 1963, 1964 and 1965.

Planned new contracts during 1963 are as follows: New weather ship for the Canadian coastguard Pacific ocean station, contract already awarded to Burrards of Vancouver, estimated cost $9 million to $10 million; second new weather ship for the Pacific ocean station, tender call autumn of 1963, estimated cost between $9 million and $10 million; new automobile-truck ferry to operate between Nova Scotia and the east coast of Newfoundland, expected tender call autumn of 1963, estimated cost approximately $14 million; new triple screw icebreaker for the Canadian coastguard for use in Arctic, Atlantic and gulf waters, estimated tender call late 1963, estimated cost $18 million.

Proposed new ship construction contracts for 1964 will be as follows:

New ferry for the Borden-Tormentine service to Prince Edward Island; the estimated tender call is early summer of 1964 and the estimated cost $14 million; new ferry vessel for service between Sydney and Port aux Basques, presently in the planning stage, for which cost estimates are not final but possibly will be between $5 million and $10 million; the estimated tender call is late 1964; four additional vessels for the Canadian coastguard service to replace the old vessels *Saurel* and *Chesterfield,* and provide in addition certain smaller tender vessels for use at marine agencies. The new vessels would include two new supply and buoy vessels having icebreaking capacity for eastern Canadian waters, at a total cost of $13 million to $14 million, and two smaller tender vessels, one for the lakehead and one for Saint John, New Brunswick, at a total cost of between one and a half and two million dollars.

It is also expected that a further series of seven marine agency vessels, required by the Canadian coastguard, would be put out to contract in 1965. These vessels, which would be somewhat smaller in size, would involve an expenditure of between $10 million and $15 million.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Naturally, Mr. Speaker, the areas that are going to receive the consideration referred to by the minister will be happy. However, it should be pointed out that this policy is again just a continuation of the policy of the previous government in this regard. We have so many opportunities to congratulate this government for following in the footsteps of the government that they criticized when we were in office.

[Mr. McIlraith.]

Beyond that, I might say this is a mere palliative when compared with the announcement just made by the defence minister. That announcement was contemptuous of parliament and showed the arrogance of this government; because they set up a defence committee and then bypassed that committee so it had no opportunity to discuss the matter which it was set up to discuss.

In so far as the present announcement is concerned, I was interested in the ferry announced for Prince Edward Island. I should like to know what has happened to the causeway.

Mr. McIlraith: The former government did nothing about it for six years.

Mr. Diefenbaker: So far as the ferry is concerned, that is something we had undertaken, but they will have to proceed with the causeway which they undertook, with us, to complete.

Mr. T. C. Douglas (Burnaby-Coquitlam): If the announcement made by the Minister of Transport was given in relation to the announcement that had been made a few minutes before by the Minister of National Defence; if it was intended as some consolation for the cancellation of the $450 million frigate program, it will fall far short of an appropriate remedy. In the first place, it will provide less than one third of the amount of employment. Even more to be kept in mind is that many projects which the minister announced are projects which would have been undertaken anyway in the normal course of events. Therefore if the Minister of Transport was supposed to be supplying salve for the wounds inflicted by the Minister of National Defence, it is rather inadequate medication.

I suggest to the Minister of Transport that if the federal government is going to save very large sums of money by discarding the frigate program, it ought to spend this money in the construction of merchant ships. I have never been able to understand why a country which boasts of being the fifth largest trading nation in the world should have an almost non-existent merchant marine. When we consider some very small countries in the world, such as Norway and Sweden, whose ships sail the seven seas, we realize that Canada should be devoting some of this money which has been saved to developing a Canadian merchant navy.

Mr. A. B. Patterson (Fraser Valley): Mr. Speaker, we are reminded of the saying that we ought to be thankful for small mercies, because it seems that the announcement made by the Minister of Transport falls into that category when we consider it in relationship

to the program that has been cancelled. I believe that considerable attention should be given and must be given to the continued expansion of our shipping fleet, our merchant fleet and so on because, as has been pointed out today, we brag about our position as far as world trade is concerned but as far as shipping is concerned we have very little with which to carry on that trade.

I believe that a program of this kind could be related to our defence program, because we were reminded in committee that there will still be need for shipping, for transports and so on, in some eventualities. Therefore, while we appreciate what is being done, we urge an expansion of the program to assist in this way and also to assist in our continued employment program.

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, it sounds strange to hear the Minister of Transport (Mr. McIlraith) announce a decision which will hold back the development of ship building in Canada and entail a decrease of some $300 million in expenditures and that, at a time when the number of unemployed is about to rise substantially.

Mr. Speaker, while the country is facing a very serious economic situation, the government is still making decisions which are directly contrary to pledges made by its supporters not so long ago, that is hardly six months ago.

As the hon. member for Burnaby-Coquitlam (Mr. Douglas) just said, the Canadian merchant navy needs help and should be developed, but the government does not seem to realize that.

I therefore draw the attention of the Minister of Transport and of the government to that situation which can be adjusted and which could, in some degree, help restore the balance of the Canadian economy in holding unemployment in check, in creating new jobs and in developing what we can develop ourselves, in our own country.

[*Text*]

[*Later:*]

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 Transport arising out of his statement today on the new ship building program. Would the minister inform the house whether favourable consideration will be given to the construction of a second ferry between Nova Scotia and new England, especially in view of the fact that the premier of Nova Scotia said recently that he would make $1½ million available as a contribution to this project?

Hon. G. J. McIlraith (Minister of Transport): A study of this whole project, Mr. Speaker, is being made at the moment, as I think I announced in the house some time ago. The matter is receiving attention.

[*Later:*]

Mr. Robert Muir (Cape Breton North and Victoria): I have a question for the Minister of Transport prompted by the statement he made today. In his statement the hon. gentleman mentioned the construction of ships to operate between Newfoundland and Nova Scotia. This is, of course, a continuation of the aggressive policy undertaken by the previous administration. My question to the genial Minister of Transport is this. Whereas the minister specifically spelled out the Newfoundland port from which these vessels would operate he only vaguely mentioned the province of Nova Scotia. Am I to understand that North Sydney, Nova Scotia, is not now to be the mainland terminus, as was decided upon and announced by the previous government?

Mr. McIlraith: I must thank the hon. member for the kindly adjective he used with reference to me; it is quite different from some of the others which have been applied in the last few weeks. The announcement to which he referred spoke of Nova Scotia and the east coast of Newfoundland. I do not know how specific that is, but I can assure him it means Cape Breton.

Mr. Muir (Cape Breton North and Victoria): The minister mentioned Port aux Basques but he only referred generally to Nova Scotia, not North Sydney which it was previously announced would be the terminus.

Mr. McIlraith: Perhaps the hon. member would look at the statement again. In any case, I may tell him I hope to announce a contract very shortly.

AGRICULTURE

POSITION OF EASTERN FARMERS—MOTION FOR ADJOURNMENT UNDER STANDING ORDER 26

[*Translation*]

Mr. Raymond Langlois (Megantic): Mr. Speaker, under standing order 26, I move the adjournment of the house for the purpose of discussing a problem which has been making the headlines these past few days and which is a definite matter of public urgency.

However, before making my motion, I should like to state my reasons for doing so and say a few words about the present financial situation of farmers in eastern Canada.

Mr. Speaker, several reasons prompted me to make that motion today.

Position of Eastern Farmers

First of all last week the Catholic farmers' union submitted to both the federal and provincial governments a report on the present needs and problems of farmers in the province of Quebec and in the other eastern provinces.

At their convention which was held in Sorel during the week end, the delegates of the Catholic farmers' union delivered an ultimatum to the Quebec premier and threatened to stop paying taxes if agricultural problems were not solved.

Much publicity has been given to the situation in the press these past few days. For instance, on October 23, *La Presse* stated:

For the first time in its history, the province of Quebec is faced with a collective move to act in defiance of fiscal legislation, as the 45,000 members of the catholic farmers' union informed Premier Lesage by telegram today, from their convention, that they refuse to pay land taxes.

And in this morning's *Le Devoir* we find an item entitled:

"The farmers tell Lesage: Change the land tax or else in six months we shall refuse to pay municipal and school taxes."

La Presse of October 22, also published an item under the following title:

—and with regard to feed grain, they want satisfaction and fair play.

In a brief submitted last Friday to the Minister of Agriculture, the Catholic farmers' union and the federated co-operative of Quebec asked for the establishment of a feed grain agency for eastern Canada.

The Catholic farmers' union adds that the agency's general task would be to get satisfaction and justice for this most interesting, permanent and ever increasing market, which our eastern farming industry represents for western Canada.

In the same edition there was another item entitled:

Alleged refusal of farmers to pay tax.

And, in this morning's *Globe and Mail*:

Lesage faces tax strike by farmers.

And, again on October 23 *La Presse* published a report in which farmers were said to have decided to stop paying taxes.

Mr. Speaker, there is another difficult situation in existence which differs from the one mentioned in those news items and commentaries, and it is this. In the province of Quebec crops are decreasing in a proportion of 45 per cent, which results in a very precarious financial and economic situation for the Quebec farmers.

Mr. Speaker, the prices of western feed grain are too high when the farmers of the province of Quebec have to buy some.

The western farmers sell their grain at the moment at a price—

Mr. Alexis Caron (Hull): I rise on a point of order, Mr. Speaker. The hon. member for Megantic (Mr. Langlois) has the right, of course, to ask for the adjournment of the house. According to standing order 26 he is allowed to mention briefly the reasons why he wants that adjournment. But it is my opinion that the hon. member for Megantic is now giving the speech that he would make if the adjournment of the house had been granted. In my opinion, he is not allowed to do so and I suggest that you call him to order.

[Mr. Langlois.]

Mr. Real Caouette (Villeneuve): Mr. Speaker, on the point of order raised by the hon. member for Hull (Mr. Caron), I suggest that the hon. member for Megantic (Mr. Langlois) has the unquestionable right to state his reasons for making his motion.

Mr. Langlois: Mr. Speaker, I was coming to my motion. I am aware that this situation has been prevailing for a long time, but at this stage it is deteriorating, and I believe it the duty of the house to discuss the matter and find a solution in order to prevent the hardship and hunger now facing both the province of Quebec and all the farmers of eastern Canada.

Mr. Speaker, here is my motion:

Seconded by the hon. member for Roberval (Mr. Gauthier), I move the adjournment of the house, in accordance with standing order 26, to discuss a definite matter of urgent public importance, that is the necessity for the house to take immediately the necessary steps to help the farmers in eastern Canada before the St. Lawrence seaway is closed to navigation by the ice, which will make it impossible for western feed grain to reach the eastern provinces at a price that would give the farmers advantages they are entitled to.

Mr. Speaker, I feel that the house—

[*Text*]

Mr. Speaker: Are there any other members who wish to offer suggestions to the Chair before I rule on whether this motion is in order?

The motion asks for leave to move the adjournment of the house for the purposes of discussing a definite matter of urgent public importance, and according to the various authorities often cited in this house since the 30th of September 1963, urgency means urgency of debate, and opportunity of course means the opportunity to debate the subject under discussion.

I rely in particular on a decision of Mr. Speaker Michener given on June 27, 1961, which will be found at page 7105 of *Hansard* for that date, when he said in part:

I accept the proposition that this is an urgent and public important matter to which the Leader of the Opposition draws attention. It is a definite matter of public importance. However, that is not the criterion in determining whether standing order 26 should be applied. The criterion is whether there is an opportunity to debate this matter in an effective way.

Now it seems to me that both on Monday and Tuesday of this week we had a supply motion, and I am informed that again on Monday and Tuesday of next week we will have a supply motion. This matter, although very important and having elements of urgency, nevertheless has—if I may use the expression—been under way for some considerable time, and the member could perhaps have raised it last Monday or Tuesday. I presume the hon. member will also have the opportunity of raising this matter next Monday or Tuesday.

It might perhaps be of interest to the house where I refer to citation 100 of Beauchesne's fourth edition, which gives the essential element or reason for standing order 26 as we know it here. In citation 100 (8), although it refers to the United Kingdom, the principle is the same. It states:

> Standing order 10 of the United Kingdom house, in force since 1882, also provides that a member may propose the adjournment of the house "for the purpose of discussing a matter of urgent public importance". On the 13th of April, 1894 a member asked leave to make that motion to discuss "the neglect of the government to take measures for the relief of agricultural depression during the present session". As forty members rose in support of the motion, debate was allowed, but on its conclusion, the Speaker said: "I do not think that, under the standing order of 1882, 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 either in home or in foreign affairs. But I do not think it was contemplated—if the house would allow me to state my views—that a question of very wide scope, which would demand legislation to deal with it in any effective manner, should be the subject of discussion on a motion for the adjournment of the house, because, if that was so, we might have repeated motions made by the opposition of the day, not so much in the direction of censuring the government for action which had been taken or not taken, for bringing to notice some grievance demanding instant remedy, as in the direction of wishing to introduce legislation on some particular subject. That is not the purpose of the standing order of 1882, and would, I think, cut at the root of the order".

In view of these authorities and what I have just said, I regret that in my opinion I cannot accept the motion.

Mr. Langlois: Because of the fact that Your Honour mentioned that the matter could be raised on Monday or Tuesday, in view of that reservation I will not appeal the ruling of the Chair but will wait until Monday or Tuesday to discuss it further.

LABOUR RELATIONS

GREAT LAKES—ACTIVITIES OF TRUSTEES

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, will the Minister of Labour give a report on discussions

that have taken place since the trusteeship was set up, and will he be able to give the glad news to the house that Hal Banks has been brought to heel and will now obey the law?

Hon. A. J. MacEachen (Minister of Labour): Well, Mr. Speaker, Mr. Banks has been brought to Ottawa, at any rate.

Some hon. Members: Hear, hear.

Mr. Diefenbaker: Did he come on his own?

Mr. Nowlan: Did he come or was he brought?

Mr. MacEachen: I am glad to report to the house that the trustees held their first meeting last night, and as a result of that meeting they issued an appeal to the members of the S.I.U. to return to work. They have also asked all the presidents of the affected unions to come to Ottawa, where the trustees will have an opportunity to enlist their co-operation in their activities.

I have not had any indication from the trustees as to the results of the conversations they have had with the union presidents, but I am told all the presidents have attended or intend to attend on the trustees.

Mr. Diefenbaker: Since the appointment of the trustee board does the minister consider it proper that the Department of Transport should be giving orders and directions?

Mr. MacEachen: Mr. Speaker, I understand that the Department of Transport did make a request to the ship operators, that is the employers' side of the situation, and did not in any sense trespass upon the responsibilities assigned to the trustees by parliament.

Mr. Diefenbaker: Did not that direction by the Department of Transport ask the shipowners to tell the crews they were to go back to work? Is not that the duty of the trusteeship board?

Mr. MacEachen: I think that on the one hand the trustees, in their position as quasi-union officers, have requested their membership to return to work. In this instance the Department of Transport, as I understand it, is now encouraging the employers to request their employees to return to work.

Mr. Diefenbaker: It is pretty little encouragement.

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a supplementary question either to the Minister of Labour or the Minister of Transport in relation to the telegram sent out by the Minister of Transport. In view of the fact that getting the men back to work ought to be the function of the union through its

trustees, may I ask the Minister of Transport whether he consulted with the trustees before he sent the telegram to the shipping companies?

Hon. G. J. McIlraith (Minister of Transport): No, Mr. Speaker. I consulted with the Minister of Labour, but there seems to be a misconstruction put on the telegram by the hon. member, and I am sure this was done inadvertently. The telegram was sent by the Minister of Transport to 28 shipping firms operating ships on the great lakes. Among other things it asked them to "proceed yourself with arrangements to move your ships with your regular crews."

Mr. Knowles: In view of the fact that the minister is reading part of the telegram, perhaps he would read all of it to the house.

Mr. McIlraith: I would be very glad to read all of it. The telegram reads:

> You are aware that government has established trusteeship over maritime unions. Action is now essential to restore movement of Canadian shipping.
>
> It is government's request that you proceed at once to draw this situation to attention of your crews, directing their immediate return to duty, and also proceed yourself with arrangements to move your ships with your regular crews. Assure you that if needed, full protection will be accorded to personnel involved. Please inform me of action you are taking.

Mr. T. C. Douglas (Burnaby-Coquitlam): As a supplementary question, would the minister not consider that a directive of that kind to the shipping companies would call for some prior consultation with the trustees before being sent?

Mr. McIlraith: No, Mr. Speaker. The union contracts involved are made between two parties, the unions and the owners.

Mr. Douglas: That is the point.

Mr. McIlraith: I sent the telegram to one of the parties. An announcement had been made by the trustees to the other party that they were calling the men back to work, and the telegram sent by me went out to the ship owners, and the ship owners followed this up in some instances by announcements of their own.

Mr. Knowles: A supplementary question to the Minister of Labour. In view of the fact that under the direction of the Minister of Labour trustees have been set up to get the men back to work, does he not feel that the Minister of Transport is interfering with the functions of the board of trustees by directing them through the management of the companies?

[Mr. Knowles.]

Mr. MacEachen: No, Mr. Speaker. I think both activities are consistent with a co-ordinated effort to encourage the crew members to return, who in one instance are in the relationship of union members to the trustees and who in the other are in the relationship of employees to the employers, to whom the Minister of Transport directed his communication.

Hon. Marcel Lambert (Edmonton West): I should like to direct a question to the Minister of Labour. Has the Minister of Labour sought an assurance from the leader of the S.I.U., or has he received an assurance from that individual, that no more members of the S.I.U. will be directed to leave their ships as these ships dock at their destinations as time goes on?

Mr. MacEachen: Well, Mr. Speaker, I sought an assurance from the president of the S.I.U., when he was in full authority of the union, that he would use his influence to have the members return to their ships; I thought that was the first step. In view of the fact that I did not receive any assurance that the men would return to their ships I did not think it worth while to ask him for an assurance to keep men on the ships, because I did not think my request would be any more effective.

Mr. Eldon M. Woolliams (Bow River): A supplementary question to the Minister of National Defence. A headline in the Ottawa *Citizen* says "May summon forces to get ships back". Is it the policy of the government to summon forces to get the ships moving on the great lakes at this time?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, we have taken the normal precautionary measures one would expect with respect to an emergency which we hope will never arise.

Mr. Woolliams: Another supplementary question to the minister of defence. What are the steps which were taken? Will he disclose them to the house?

Mr. Douglas: May I direct a question to the Minister of Transport. In view of the importance of moving grain at this particular time, has the minister taken any steps to get ships to take grain out of Churchill? I am told the last ship left Churchill on Sunday evening and that the port is ice free and that there is grain in the terminal elevators there. If the government, by guaranteeing the insurance, could move this grain it would seem to be a very effective method of dealing with the present situation. I ask the minister, is the government making any effort to move grain out of Churchill?

Mr. McIlraith: Mr. Speaker, the government made all possible efforts to get additional grain out of Churchill. As the hon. member knows and understands well, insurance for ships in that area is no longer available, and it does not seem possible to get any shipping in there at this time because it is too late in the season.

Mr. Douglas: A supplementary question. Did the government give any consideration to offering to underwrite the insurance if ships would go in at this time?

Mr. McIlraith: No, Mr. Speaker, because there was no indication that we could get any ships to go in at that time. We did make every effort to get more ships through before the deadline for the insurance was reached.

Mr. R. N. Thompson (Red Deer): Mr. Speaker, I direct my question to the Minister of Labour or the Minister of Justice, whichever is the appropriate minister. In view of the reports of violence against a number of Canadian seamen and further threats of violence, what steps are being taken to provide protection for S.I.U. seamen who are continuing to man their ships, and other seamen who may be engaged to serve on ships now without crews due to the walkout of S.I.U. seamen?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I think the answer to that question is to be found in the telegram which the Minister of Transport has just read to the house, the latter part of which indicates that full protection will be accorded to personnel involved under those circumstances.

Mr. Thompson: A supplementary question. The minister says full protection will be given, but this situation is very serious and it seems to me there should be some further explanation to the house of what this means. Certainly the lives of men are involved. Not only that, there is the threat which hangs over their probable willingness to co-operate.

Mr. Chevrier: I believe everyone on this side of the house realizes how serious the situation is—

An hon. Member: What about this side?

Mr. Chevrier: And on the other side as well—and understands what is meant by the words included in the telegram sent by the Minister of Transport.

Mr. H. A. Olson (Medicine Hat): A supplementary question. May I ask the Minister of Justice whether he is investigating the circumstances concerning the beating of an S.I.U. member aboard a train last Monday night, the man in question having to be taken off the train and put into a hospital at Smiths Falls?

Mr. Chevrier: That matter has been brought to our attention; I have directed the attention of the R.C.M.P. to it, and the matter is now under investigation.

NORRIS COMMISSION—REPORT OF SPECIAL COUNSEL

On the orders of the day:

Mr. David Orlikow (Winnipeg North): I should like to direct a question to the Minister of Justice. Has the department reached a decision on prosecutions arising out of the Norris report as a result of the study made for the department by Mr. Robinette and Mr. Martineau?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, in answer to that question I might say that as to prosecutions, I can assure the house that this aspect of the matter is being attended to and in no way being lost from view. The steps which are being taken will become apparent in due course, so I think it would be undesirable for me to say any more about the matter at this time.

IMMIGRATION

REQUEST FOR ADMISSION OF EAST GERMAN SAILOR

On the orders of the day:

Mr. Richard Cashin (St. John's West): I should like to address a question to the Minister of Citizenship and Immigration. It has just been drawn to my attention that an East German seaman, one of the crew of an East German freighter in the port of St. John's, who was thwarted in his previous attempt to gain entry to this country, is again on Canadian soil. I wonder whether the minister will consider granting this man temporary entry to the country so this whole matter can be investigated?

Hon. Guy Favreau (Minister of Citizenship and Immigration): Mr. Speaker, all I can say in answer to this question is that this morning my attention was drawn to a report in the *Gazette* concerning this incident, and instructions have already been given for an investigation to be made. I might be in a position to report tomorrow.

INDUSTRY

AUTOMOBILES—PLANS TO INCREASE CANADIAN SHARE IN GROWTH

On the orders of the day:

[*Translation*]

Mr. Real Caouette (Villeneuve): Mr. Speaker, may I put a question to the Minister

of Industry? Does the minister still intend to bring forward his program to encourage the manufacturing of automobile parts in Canada in spite of the threat of reprisals made the day before yesterday by the secretary of commerce, Mr. Luther Hodges?

[*Text*]

Hon. Walter L. Gordon (Minister of Finance): Mr. Speaker, in the absence of the Minister of Industry might I be permitted to answer the hon. member's question on the minister's behalf. He has every intention of making an announcement in the house tomorrow.

REPORTED INTENTION TO ESTABLISH PEUGEOT PLANT IN ONTARIO

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker, my question is related to the automotive industry, and I would like to direct it to the Minister of Industry.

Last week the Minister of Industry took as notice a question of mine which had to do with the Peugeot industries.

Could the minister tell the house if his plan pertaining to the automobile industry takes into account the establishment of a Peugeot subsidiary in Ontario, following the preferential treatment which the federal government is said to have offered to that firm if it decided to settle in Ontario rather than in Quebec?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, we have not been contacted by the Peugeot firm with a view to establishing a subsidiary company in Canada for the manufacturing of cars.

[*Text*]

SUGAR

REQUEST FOR INQUIRY INTO PRICE INCREASE

On the orders of the day:

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I should like to direct a question to the Minister of Justice. On October 22 I asked a question to which the minister replied that the price of sugar was determined to a great extent by international conditions over which Canada had no control whatever. Does he have another answer to give in view of the fact that, yesterday, the Montreal confectioners' association stated that the Canadian government should intervene without delay in that matter? They claim that the inquiry on sugar held a few months ago immediately brought about a sharp decrease in the price of sugar.

Could the minister tell us whether there is collusion or not between Canadian dealers and whether he intends to take action?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, the hon. member is aware of the situation, I am sure, but as I said earlier, the price of sugar in Canada depends to a large extent on the international price.

As for the director of combines investigation, he is keeping a sharp eye on the situation. If he thinks that an offence has been committed, he will immediately initiate proceedings against the guilty parties. As far as the representations that the hon. member has just mentioned, I am not aware of any at all.

Mr. Chapdelaine: Mr. Speaker, may I put a supplementary question to the Minister of Trade and Commerce?

With regard to the increase in the retail price of sugar, could the minister tell us whether he intends to follow the suggestions made in Great Britain, namely that refineries should be subsidized in order to prevent a gradual increase in the retail price?

[*Text*]

Mr. Speaker: The hon. member for Quebec East.

[*Translation*]

Mr. Robert Beaule (Quebec East): The Minister of Justice has just answered my question.

[*Later:*]

Mr. Henri Latulippe (Compton-Frontenac): Mr. Speaker, I should like to direct a question to the Minister of Trade and Commerce In view of the lamentable situation which now prevails in the sugar market, would the government support the building of sugar-beet refineries in eastern Canada, especially in the province of Quebec?

[*Text*]

Mr. Speaker: This is surely a question for the order paper.

[*Later:*]

Mr. Chapdelaine: A moment ago I directed a question to the Minister of Trade and Commerce, and it seemed that he did not answer my question because he did not understand the translation. Can he tell me if he intends to grant a subvention to sugar refineries in order to offset the rise in the price of sugar

at the retail level so that the consumer will not suffer from this unusual condition in the sugar business?

Hon. Mitchell Sharp (Minister of Trade and Commerce): As the hon. gentleman probably knows, the government has no authority to pay any such subvention.

POWER

REQUEST FOR STATEMENT ON NATIONAL GRID

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, may I direct a question to the Minister of Trade and Commerce?

Can the minister tell us if the government is still considering the possibility of setting up a national power grid and will he have further statements to make soon in this connection?

[*Text*]

Hon. Mitchell Sharp (Minister of Trade and Commerce): I have nothing to add to what I said when I made my announcement.

HEALTH AND WELFARE

FAMILY ALLOWANCES—PAYMENT TO SCHOOL CHILDREN OVER 16

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): I should like to direct a question to the Prime Minister and ask him if it is the policy of the government to extend family allowances beyond the age of 16 for boys and girls who remain in school.

Right Hon. L. B. Pearson (Prime Minister): Yes, that remains the policy of the government.

Mr. Diefenbaker: Will it be brought up this session?

Mr. Pearson: It will be brought up as soon as it can be arranged.

MONTREAL—REPORTED DEATH FROM FOOD POISONING

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, I wanted to direct a question to the Minister of National Health and Welfare. The morning paper carries a report of a death in Montreal which has been linked with a certain food product which her department has ordered withdrawn from the stores. The director of the food and drugs administration says that some cans of food may contain a poisonous substance. I am simply asking the minister if she has launched an investigation to see how it was possible for this food to evade the inspection service of the food and drugs administration. If she has launched such an investigation, will she be reporting to parliament on the matter?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): This most unhappy circumstance resulted in my department issuing a warning in Montreal, by radio and by press, in respect of a particular name brand of liver paste. The department does not, contrary to what the hon. gentleman appears to think, inspect every tin; obviously this is impossible. There is a spot check only in respect of a very limited group of products.

I did ask, when this was reported to me, whether a very careful laboratory check had been made, and it had of course been done before the department moved at all. I asked in addition whether it was possible to trace the store from which it was purchased, but the tin had been thrown away and it was not possible to even obtain a sample. However, the public was being warned about this particular brand in case any one might have a potentially lethal substance, and asked to destroy whatever stocks they had. The hon. member and the country may be assured that the Quebec department of health and the federal department are working very closely together to make sure that this cannot happen again and there may be no possibility of repetition.

BREAD

INQUIRY AS TO PROBABLE PRICE INCREASE

On the orders of the day:

Mr. Reid Scott (Danforth): I wish to direct a question to the Minister of Trade and Commerce. It arises out of press reports that the price of bread is likely to increase 1 cent a loaf partly because of the rise in flour prices following the Russian grain sales. Is the minister in a position to assure the house that the grain sales to Russia will not result in increased flour prices which, in turn, would lead to higher bread prices?

Hon. Mitchell Sharp (Minister of Trade and Commerce): I cannot give any such assurance. The price of wheat has gone up a few cents a bushel and I have no doubt the price of flour has gone up somewhat also, but I hope it will not lead to an increase in the price of bread. However, this is not a matter over which the Canadian government has any direct control.

Inquiries of the Ministry

Mr. J. H. Horner (Acadia): Is the minister suggesting that because the price of wheat has gone up the price of bread should go up, too?

Some hon. Members: Oh, oh.

Mr. Horner (Acadia): That is the interpretation many western farmers will put on his statement.

Mr. Sharp: If they take that interpretation it is because they listen to the hon. member and not to me.

NORTHERN AFFAIRS

HAINES ROAD—NEGOTIATIONS WITH U.S. GOVERNMENT

On the orders of the day:

Mr. Erik Nielsen (Yukon): I wish to direct a question to the Minister of National Defence arising out of the decision to keep the Haines road open. Have negotiations yet been completed with the United States government with respect to its offer to bear the cost of keeping this road open and backbill our government?

Hon. Paul Hellyer (Minister of National Defence): I do not know whether or not that is the case. My colleague the minister of northern affairs is co-ordinating this effort on behalf of the several departments of government involved.

Mr. Nielsen: I wonder if I could direct that question to the parliamentary secretary—

Some hon. Members: Order.

Mr. Nielsen: —or to the acting minister of northern affairs. May I direct the question to the acting minister?

Mr. Speaker: The hon. member knows that if his question is not answered at this time there must be a reason. I did not think it necessary to go into the reasons for not waiting for an answer.

An hon. Member: Absenteeism.

Mr. Speaker: I beg your pardon; I did not hear. It seems clear to me that the question asked could not be answered at this time; and that is why I did not insist.

Mr. Nielsen: Neither the minister of northern affairs nor his parliamentary secretary are in their places. I saw the acting minister rise to answer when he discovered that his two colleagues were not in the house.

Hon. W. M. Benidickson (Acting Minister of Northern Affairs and National Resources): No notice having been given, I can only say I will be pleased to try to give the hon. member an answer tomorrow.

[Mr. Sharp.]

CIVIL DEFENCE

REQUEST FOR ANNOUNCEMENT OF GOVERNMENT POLICY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): In view of the uncertainty with respect to civil defence policy, and the changing situation, is the government reviewing civil defence policy and, if so, when can we expect an announcement?

Right Hon. L. B. Pearson (Prime Minister): The policy is being reviewed. I am not sure when an announcement will be made. I will be glad to look into it and take the matter up with the minister responsible.

FINANCE

MEANS OF MEETING MATURING OBLIGATIONS

On the orders of the day:

[*Translation*]

Mr. Gilbert Rondeau (Shefford): Mr. Speaker, I thank you for the good exercise you let us have on this side of the house.

My question is directed to the Minister of Finance. Would the minister tell us which means he intends to take to find the required amounts to meet the government of Canada bonds—which reach the tidy sum of one billion dollars—falling due on or about November 15, 1963?

[*Text*]

Mr. Speaker: This surely is a question for the order paper.

AGRICULTURE

PROVISION OF FEED GRAIN FOR EASTERN FARMERS

On the orders of the day:

Mr. Raymond Langlois (Megantic): My question is directed to the Minister of Agriculture. Is the minister ready to tell the house why western farmers receive $1.30 for 100 pounds of oats while Quebec farmers have to pay up to $6.00 for 100 pounds of oats?

Hon. Harry W. Hays (Minister of Agriculture): I shall first answer the question the hon. member asked yesterday. The government has instituted a program under which it will reimburse buyers for the cost of winter storage of western feed grains in licensed eastern elevators during the period from October 15 to April 15. This policy is designed to assist in providing an adequate and orderly supply of feed grains for winter needs and it is serving that purpose.

Second, I am assured that adequate space will be available in eastern elevators for

winter feed requirements. I may add, in this connection, that if it is necessary to do so vessels with grain cargoes can tie up for the winter alongside elevators to add to the total capacity, and this grain also will be eligible for the storage assistance.

Third, my best information is that there are adequate stocks of western feed grains, in total, to meet eastern winter requirements. On October 16 there were 12½ million bushels of western feed grains in eastern elevators, which is approximately 50 per cent more than a year ago. Montreal stocks are well above last year, and while stocks in Quebec city at the moment are somewhat below last year there were approximately two million bushels of feed grains at that location yesterday.

While the current day to day movement from the lakehead to eastern positions is being affected by the shipping difficulties, I should like to assure the house that a very close watch is being kept on the matter. I cannot answer the other question with relation to the grain because I would first have to check the authenticity of the prices.

Mr. Langlois: Mr. Speaker, the Minister of Agriculture has answered the first part of the question I asked yesterday, but I should like him to answer the second part as to the price to be paid. Who gets the profit as between western and eastern farmers on these wheat sales and oat sales?

APPEARANCE BEFORE COMMITTEE OF STABILIZATION BOARD OFFICIALS

On the orders of the day:

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, in reply to the question directed to me yesterday by the hon. member for Rosthern regarding the appearance of officials of the agricultural stabilization board before the standing committee on agriculture and colonization, I can assure the hon. member that I am agreeable to having the officials of the board appear before the committee if the committee wishes.

Mr. E. Nasserden (Rosthern): Mr. Speaker, I rise on a question of privilege arising out of the answer given by the minister a few minutes ago to the question I asked yesterday. We have had similar answers on a number of occasions to inquiries regarding the standing committee on agriculture. I want to protest the deliberately cavalier manner in which the standing committee on agriculture has been prevented by the present government from fulfilling completely its proper role in parliament.

Mr. Hays: Mr. Speaker, the standing committee on agriculture and colonization last met on July 4, 1961 and made its report to the house on September 26, 1961.

[*Later:*]

Mr. Arnold Peters (Timiskaming): Mr. Speaker, I should like to ask the house leader a question. When is it the intention of the government to reconvene the standing committee on agriculture, particularly in view of the remark just made by the Minister of Agriculture that the committee has not met since 1961? I ask this question in light of the fact that many of us realize there are a number of important agricultural problems that should be looked into. Today several questions of major importance have been asked, and there was also a motion to adjourn the house to discuss an agricultural problem. I think the house would like to know whether the committee is going to be reconstituted almost immediately because it is not enough to say that the Conservatives did not do so either.

Mr. Speaker: Order. I do hope it will be possible to make our questions a little more crisp and save the time of the house.

Mr. Peters: I rise on a question of privilege, Mr. Speaker. These remarks have been made in this relationship, and I am not one—

Mr. Speaker: I am sorry to interrupt the hon. member, but will he please resume his seat while I am on my feet? There is no question of privilege. The hon. member must know that questions of privilege are extraordinary incidents in procedure and should be carefully used for real questions of privilege. There is such a thing as a grievance, of course, and opportunities are provided for raising grievances.

I am suggesting to the house, in view of the volume of questions and the desire expressed by all the leaders to shorten the question period, is it not possible for hon. members to state their questions directly, crisply and very much to the point? I did not stop the hon. member because of the motion to adjourn under standing order 26 and because of the rather long statement by the Minister of Agriculture, but I am sure the house could easily apprehend the desire of the hon. member for Timiskaming that the committee be set up as soon as possible, and there is no need to debate the question at this time.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, the committee was set up weeks ago by this house. The matter is no longer one for the house, and the time of the house should not be wasted with it. Any member of the

committee can have the committee called together any time he will take the trouble to do so.

EXTERNAL AFFAIRS

COST OF PROVIDING SKIM MILK POWDER TO CARIBBEAN

On the orders of the day:

Hon. Harry W. Hays (Minister of Agriculture): Mr. Speaker, yesterday on orders of the day the hon. member for Chapleau asked me the cost of the shipment of skim milk powder made available by the government for use in areas affected by hurricane Flora. The agricultural products board's export price for skim milk powder is 7 cents per pound. Therefore the total cost of the donation, presuming all the skim milk powder offer is taken up by the organizations in question, would be $80,500.

UNITED NATIONS

NUCLEAR WEAPONS—EXTENSION OF BAN TO UNDERGROUND TESTS

On the orders of the day:

Mr. Heath Macquarrie (Queens): Mr. Speaker, I should like to direct a question to the Prime Minister concerning the efforts made at the United Nations by the non-aligned powers of the Geneva disarmament committee toward extending the nuclear test ban to its completion by covering underground tests. Would the Prime Minister care to say what action the Canadian delegation is taking in respect of this important initiative?

Right Hon. L. B. Pearson (Prime Minister): No, Mr. Speaker, not offhand, but I will try to answer my hon. friend's question tomorrow.

LOTTERIES

INQUIRY AS TO AMENDMENT OF CRIMINAL CODE

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, I should like to direct a question to the Minister of Justice. Does he intend to put on the coming federal-provincial conference's agenda a proposition to amend the Criminal Code, so as to authorize provinces to hold lotteries if they so wish?

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, first, I wonder if this is an urgent matter.

Moreover, as the hon. member knows, many questions of that type have already been answered.

[Mr. Pickersgill.]

There is in the Department of Justice a committee which studies the amendments to be made to the Criminal Code and, in due course, if these amendments are approved by the government, they are submitted to the house. I do not think, though I shall check the opinion I am now giving, that it is the usual practice to submit to a federal-provincial conference amendments to be made to the Criminal Code.

[*Text*]

INQUIRY OF THE MINISTRY

On the orders of the day:

Mr. Raymond Langlois (Megantic): I shall try to comply with your wishes, Mr. Speaker, by putting my question crisply, and I hope it will not be considered impertinent. I saw the beautiful display of flags on parliament hill today, and does the Prime Minister not feel a little bit ashamed of the fact that we have not got one for Canada?

An hon. Member: We have one.

BUSINESS OF THE HOUSE

INQUIRY AS TO ESTIMATES TO BE CONSIDERED

On the orders of the day:

Hon. Gordon Churchill (Winnipeg South Centre): Last night the house leader said that on estimates tonight we would have as a stopgap after fisheries either public works or transport. Can he now tell us which one?

Hon. J. W. Pickersgill (Secretary of State): It would be public works tonight if it were needed, and transport tomorrow night.

INCOME TAX ACT

The house resumed from Wednesday, October 16, consideration of the motion of Mr. Gordon for second reading of Bill No. C-95, to amend the Income Tax Act.

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, the other day we had a statement by the Minister of Finance on the introduction of the income tax bill for second reading. I might say, sir, that it had been my expectation the bill would rather closely follow the resolution which had been introduced. There were certain things indicated in the resolution to which I will refer later, particularly certain allowances for depreciation in distressed areas, and I refer to the figure of 95 per cent ownership in the plant as well as certain other things, which were not included in the bill. One must say that what appears in the bill is certainly a lot more restrictive than what appeared in the resolution or what was said during discussion of the resolution. However, I shall discuss that in greater detail later.

I do not intend to refer to any particular clause, Mr. Speaker, but I noticed clause 7, which I would have thought by now the minister might have included in any resolution because it has acquired a certain quality of semi-permanence. This has to do with certain allowances in lieu of family allowances, that are made to immigrants entering the country, and these allowances are then in the same category as family allowances for the purpose of income tax. This practice has been in vogue, I think, for about eight years. I am wondering whether it would not have been deemed that this is a regular feature of the Income Tax Act. Should we have been told quite frankly that this is going to be limited, or are we going to be faced with the re-enactment of this provision from year to year? I recognize that this is a carrying forward of something that existed in previous years, and it comes under yearly review.

I gather that the main burden of the minister's speech was that Canada faces a very serious problem of deficits on international payments. It was the view of the government —and this was nothing new, because he indicated it had been the view of previous administrations—that the best means of tackling this problem was in Canada selling more abroad. He said that the scope for increased sales seemed to be primarily in the United States; in actual fact I believe he used the term "the North American continent". If that was the objective, I wonder why greater emphasis was not placed on the providing of incentives for increased sales. In fact the one incentive that appeared in the Income Tax Act which was introduced a year or two ago is now being removed. I would like to hear from the minister why, after only a short experience, section 40(a) of the act is being repealed. Even if there has not been the expected advance as a result of this incentive, I think it has been in effect too short a time to show its full impact. In any event, Mr. Speaker, I think the minister should give us an answer in this regard when he makes his closing statement.

I rather think, though, that if the purpose of the changes in the act is to provide incentives, and in certain cases some disabilities, in order to change the nature of our balance of payments position, the bill now before us will do much less than was indicated at either the budget or resolution stages. First of all, we know that as a result of certain steps indicated at an earlier stage, investment in Canada received a rather serious shock, not only because of promised action on this side of the border but because of action on the other side in the United States.

The minister was quite frank in telling us that at the present time it is virtually impossible to obtain money from the United States in any, shall we say, substantial quantities. There may be exceptions to this, but I know that businessmen who had plans for expansion or promotional opportunities in western Canada have said that at the present time these programs are absolutely dead because of the fear of action which may be taken in the United States. These programs of expansion and promotion are being put aside because of the uncertainty that exists with regard to the precise action that may be taken in the United States.

If it is the case that there is a drying up of money coming into this country, the minister's hopes of changing the nature of investment from equity into bonds will probably not come to realization. It will certainly not come to realization in the foreseeable future, because it will take some considerable time to restore a climate of confidence. Until this climate of confidence is restored there will not be the investment from the United States or other sources into the fields hoped for by the minister.

The other objective the minister hoped to achieve was the changing of the nature of investment from equities into bonds. There are certain incentives to try to change, shall we say, the nationality of investments. I am very disappointed in this bill, Mr. Speaker, because in spite of the difficulties that were pointed out at the resolution stage with regard to investment by Canadian residents, this problem has not been dealt with. Frankly, "Canadian resident" means nothing. What do we mean, when we say "resident in Canada"? Do we mean the 180 days usually envisaged in regard to the Income Tax Act, or do we mean the normal definition given to "resident" in everyday language, that a person makes his usual residence in a country? This is one point of uncertainty.

Again I come back to the point I made during the debate at the resolution stage, that "Canadian resident" means nothing in the context of capital inflow into this country. If the minister had the courage of his convictions in this regard, I think that as he was aiming for a 25 per cent Canadian ownership he should have said "Canadian citizen". I think he would then have been working toward the goal he desired; he would have been taking a step in the right direction. But he has not given any indication of even a first step in this regard in using the expression "Canadian resident" because there are scores

of situations in which this does not mean a thing. You have resident managers of subsidiary companies who are subject to recall, and who will hold shares in trust for the parent company abroad. This has been done in many cases. There are many ways in which shareholdings may be in the hands of Canadian residents but this may not mean anything, because behind the shareholding there is a trust agreement which provides that the shares are held on behalf of a foreign principal.

Therefore, in effect, if shareholdings are in the names of Canadian residents who are actually citizens of a foreign country and are here on posting by their foreign principals, I can assure the minister that the majority of them will be on the basis of trust agreements; the beneficial ownership will not lie with the Canadian resident. If the minister thinks that the Minister of National Revenue is going to go looking into all these things, the Minister of National Revenue will have to double his staff. The minister will really be creating an awesome task for his colleague.

I think it would have been better, and the minister would have received much more credit from financial critics and others in this field, if he had in this bill provided for that which he wished to achieve; that is, ownership in the hands of Canadian citizens. After all, 25 per cent means nothing in the majority of companies. In large public corporations it is a major minority holding which may give one effective control if the shareholdings are widely dispersed. But how many companies in this category would be affected by this type of legislation? I suggest to the minister that the majority of companies in this category would be private companies in the nature of subsidiaries—closely held private companies—in which a 25 per cent holding means nothing. There is no influence in a 25 per cent shareholding in companies of this kind.

I raise the point at this time, Mr. Speaker, because regretfully I do not believe the minister's objectives will be achieved with this this type of legislation.

We come now to the question of the withholding tax. I would like to know from the minister whether he has received advice from the law officers of the treasury board, or whether he has received assurances from the United States authorities that with the coming into force of this act with the provision—although it is to be effective only late in 1964 or in 1965—this will not be deemed to be an abrogation of the tax conventions between Canada and the United States. Further, if the effect of this is deemed to be an abrogation of the tax agreement, then does this mean that the full United States tax comes in at up to 30 per cent?

This is a problem on which the minister should give us some information. He should tell us whether he has got these assurances; because if what I have said is to be, then with the stroke of an amendment, with some sort of a stick which is the counterpart of the carrot that he has provided with respect to this changing nationality of invested capital in Canada, he is wiping away a great benefit enjoyed by those people whom we have attracted with investment to Canada in the past. As I say, this is a very serious problem, and I hope the minister can give us the appropriate assurances. Otherwise he should withdraw his bill.

On the previous occasion I also spoke about associated companies, and I again regret that the minister has seen fit to bring forward this complete blanketing of related companies. While there has been abuse—and I agree there has been abuse in the sort of departmentalization of integrated businesses whereby it is sought to get the benefits of the so-called smaller companies at the lower tax rate—yet this is an essential feature of encouraging local capital and local management, particularly in western Canada. A man who has capital, and who is interested in investing it on an equity basis in developing businesses, will now be entirely discouraged because he cannot go to a small businessman who has got a good thing going but requires some capital, and invest 51 per cent in that business leaving the local man to manage and develop it.

I have seen this done in many instances, and I know of fine Canadian businesses developed in this way. Now, however, everything is going to be lumped together in the hands of the man who is providing the investment capital. The net result is that he is going to keep his capital at home uninvested. He is not going to use it in this way. Certainly he is not going to help the local individual to try to develop his business if the profits are going to be taxed at the 51 per cent rate, because it is not possible to differentiate between the share of profits of the local individual, the minority holder, and those of the majority holder. All profits go in at the same rate.

I suggest to the minister that this whole problem should be reviewed. I am not going into the question of the different tax rates. I am trying to remain within the principle of the bill, but I put it to the minister that I think a mistake is being made, and that in trying to plug certain loopholes he is shutting the door on much more.

This brings me to the further point, and I thank the minister for acceding to my suggestion, that an appeal from the discretion of

the minister with respect to associated companies and the dividend stripping provisions of the bill may now be made to the tax appeal board, though I say this with many great reservations because I do not think this appeal means anything. I would draw to the minister's attention the fact that the Canadian Bar Association also unanimously agreed it does not mean a thing. I am sure the minister has received a copy of the resolution adopted at this year's meeting of the Canadian Bar Association held in Banff, which incidentally I attended. I can tell him there was complete unanimity at that meeting in condemning the reintegration or reinsertion of the discretionary powers of the Minister of National Revenue within the Income Tax Act. The meeting felt that this was a retrograde step, and I can tell the minister there was no political partisanship in this because political supporters of the party to which he belongs were among the loudest in their complaints about it. There was no question of politics at all. It was a matter of principle by the lawyers of Canada that this was a bad feature and should be withdrawn.

After all, all the tax appeal board and the exchequer court can do in this regard is to examine that the minister has exercised his discretion in the manner prescribed by the act, that he has done nothing administratively wrong, but neither the appeal board nor the exchequer court will substitute their discretion for his. We know this as a matter of legal principle, so that the appeal provision is a complete nullity and I am sorry to see the reintroduction of ministerial discretion into the legislation. I know dividend stripping is a really difficult problem, but I wonder whether we are not here paying too high a price for the revenues which the minister deems he is losing through dividend stripping.

There are some comments I would like to make with respect to the increased depreciation incentives which the minister is providing for new industries in the areas designated under the Department of Industry Act. Here, Mr. Speaker, I must crave your momentary indulgence to refer to the fact that these words are used in the bill:

> —the capital cost of all machinery, equipment— and buildings situated in the designated area that were owned by the person—

I come to the question of what is meant by "owned". Is this owned outright? Has it been purchased on time? Is the beneficial ownership with the taxpayer? What is meant by this term "owned"? If I have bought machinery and equipment on a two year basis, simply paying 10 per cent down, do I own the machinery within the meaning of this term? I may have bought it under a conditional sales agreement where ownership remains vested in the vendor until the purchase price has been paid. To all outward appearances I am the owner of that equipment, but in law I am not. The same may apply to buildings and property bought under an agreement for sale. I think we need an explanation in general—we can discuss it in greater detail when we go into committee—with regard to the proposed new section 71A.

There are a number of other items, Mr. Speaker, which I should like to discuss, but this would be more appropriate at the next stage of the bill. Therefore I will conclude these observations on the principle of this bill by saying that I regret very much that the bill as put forward does not hold the promise indicated at the time of the budget. It is much more restrictive. I would say that the carrots and the incentives, in the tradition of ministers of finance, hold much less promise than do the sticks which may be waved.

I realize that the minister faces a very serious problem, but I think there are means still open to him to accomplish his objectives somewhat more effectively. As I indicated before, if he wishes to repatriate capital he should get it into the hands of Canadian citizens. If you have the courage of your convictions, then why not say so? If you are going to be hung for a sheep, as the minister certainly is at the present time, why come in as a lamb?

Mr. Jack Davis (Parliamentary Secretary to Prime Minister): Mr. Speaker, in speaking to this legislation with regard to the Income Tax Act I should like to concentrate primarily on this very difficult problem of foreign ownership and control in this country. We need capital from outside, and we need it badly. We need foreign capital to assist us in our economic development and the attainment of a high rate of economic growth. On the other hand we certainly need a substantial measure of Canadian ownership and control in order to ensure our political survival.

So we have a very difficult problem to deal with, one which, on the one hand, advises us in economic terms that we should encourage the influx of capital from all possible sources outside the country, and on the other hand requires us to discriminate in some way in favour of Canadians, in favour of greater Canadian ownership, and in favour of individual participation by Canadians in the industrial future of the country.

Canada, Mr. Speaker, is a vast country, a country which has tremendous resources in respect to materials. But what it lacks is

capital, the mechanical means and the know-how with which to put those great resources to work. One of the most substantial reasons for our high rate of economic growth and high level of income is the fact that we have had a great deal of assistance from outside in terms of low cost capital. A Canadian putting up money for industrial development today will ask for a return of something like 6 per cent interest on his investment. Foreign capital in recent years, including both foreign held bonds and equity participation, is asking something less than 3 per cent. This is cheap capital, and we need low cost capital in order to develop our country more rapidly.

But more important still, we have year by year been paying out interest on bonds; hence when the over-all return is 3 per cent to these foreigners, obviously the return on equity is down in the order of 1 per cent. The foreign investor in Canada's future has been taking out of this country less than 1 per cent return on his investment here. This is cheap capital. It is the cheapest possible capital Canada can get for the development of its resources, its industries, and for providing more jobs for Canadians. So there is in economic terms an overwhelming case for the encouragement of foreign captial in this country.

The result of this massive investment in Canada by way of low cost capital is impressive in statistical terms. Whereas roughly 40 per cent of Canadian industry was in foreign hands as far as ownership and control was concerned in the late 1940's, the proportion now is more like 60 per cent and it is steadily rising. Two thirds of the primary and manufacturing industries in this country are owned and controlled by non-residents. Roughly two thirds of all the workers in these industries are working for foreign owned and controlled concerns. No other country, at least in modern times, has had such a large proportion of its ownership held outside its domain.

Reference is sometimes made to the position of the United States prior to world war I. Then roughly 15 per cent of its annual income equivalent was owned by foreigners. In this country the proportion is more like 100 per cent. The parallel also breaks down in another respect; much of that foreign investment in the United States was in the form of bonds which would progressively and inevitably be repatriated. In Canada a large proportion of this investment is in equity and ownership and so resides, as long as Canadian law prevails and Canada continues to exist as a responsible nation in foreign hands.

Furthermore, the principal growth industries—oil, chemicals, electronics, and so on—are in the hands of non-residents. These industries are growing at rates of 3 per cent, 4 per cent or 5 per cent a year. Only the industries in relative decline to the rest of the economy by and large are still in Canadian hands. This suggests that this proportion of foreign ownership will continue to rise. The big firms, the really large corporations which engage in industrial research, intensive market studies, and so on, are largely foreign. They are growing in size and the great majority are exclusively owned by non-residents. Only one out of four of the large corporations operating in this country sells any equity stock or ownership stock to Canadians.

I listened with considerable interest to the hon. member for Edmonton West, who criticized the 25 per cent ownership provision in the present bill. He said there was no guarantee that Canadians would end up owning much of this stock. Well, at least as a result of this provision there is an opportunity to participate in the equity ownership of large corporations which will take advantage of the tax incentive provided in the present budget.

What should we do in order to effectively repatriate at least part of the ownership of our industries? Repatriate them over the long run, slowly, measurably and in a straightforward, honest and predictable way. We might look to other countries. We might see the examples there. By and large the controls of other countries have taken direct forms. Legislation, for example, with regard to incorporation of firms requires that a sizeable percentage of the equity stock always resides in the hands of the residents of those countries, and legislation requiring that a large percentage of the directors be residents of those countries. The legislation frequently focuses on the resource industries, the basic processing industries and the utilities. These are the areas which are apparently of greatest concern to these other countries which have enacted legislation with respect to foreign ownership and control.

In most of the cantons of Switzerland no foreigner may own land. No foreigner may own registered equity stock. Obviously there is far more stringent legislation in Switzerland with respect to foreign ownership than there is here. France has always been concerned about the participation of non-French nationals in French industry, and in recent years France has endeavoured to convince her fellow members of the European common market, the OECD and so on, that legislation along these lines should be made uniform in all the western European countries with which France is affiliated. In Sweden, legislation provides that not more than one out of every three directors of a company can

be non-resident, and those who are non-residents must receive the approval of the Swedish board of trade, which corresponds to our own Department of Trade and Commerce. In the United Kingdom, the bank of England scrutinizes each individual transaction with respect to take-over arrangements or alterations to the financial structure of corporations. Changes in ownership involving ownership passing from the United Kingdom to non-residents have not been frequent and before they are approved they have to pass severe tests in the light of the over-all interest of the United Kingdom, politically, economically, and otherwise. In Japan, no non-resident may own more than 50 per cent of the equity interest in industrial enterprise.

In the United States there are numerous examples of control. I will mention just one which is very much in the minds of some of those who operate tugboats, freighters and other vessels on both our coasts. No one who is not a national of the United States may own ships engaging in the coastal trade of the United States. Because of Canada's liberal legislation in this sphere, it follows that United States ship owners can operate up and down the coast of the United States, into Canada and up and down the coast of Canada. They can qualify for the 40 per cent subsidy with respect to shipbuilding and equip themselves with modern vessels with the assistance of the Canadian government; but no Canadian concern can carry on its operations both north and south across the 49th parallel. Thus this type of legislation favours United States ownership and control, and militates against the expansion of Canadian shipping on both our coasts and on the great lakes.

Also, Canadians have come off second best when they attempt to set up natural gas systems, electric power grids and works of a similar kind in the United States, due to the exclusive arrangements which exist below the border. They never receive a hearing; they have no chance of obtaining franchises. In this country, on the other hand, among the remaining utilities there is a sizeable participation by United States interests.

In respect to defence contracts in the United States, which engage much of the industrial capacity of that nation, foreigners are always on the outside track. This is another way in which foreign ownership of United States industry is kept within low limits.

I might mention some statistics which indicate the order of magnitude of Canadian investment in the United States. It is merely a fraction of 1 per cent of all the industry there. It is true that the distilleries, the farm machinery concerns and some other enterprising companies do have substantial investments in the United States, but they are small in relation to the 60 or 70 per cent interest which United States corporations have in our industry here. Canadians have invested several billions of dollars in the United States, but United States firms have ten or 15 times as much invested in Canada.

We must obviously approach this awkward problem with moderation because we need access to this low cost capital. We must not bring in irresponsible measures, but we should at least be prepared to do something to provide an opportunity for Canadians to have greater participation in the ownership of industry in this country. I can think back to the time when my father was a young man in this country. The chance then was less than one in ten that he would work either for big government, that is, for a government department or a crown corporation, or for some big foreign owned corporation. In terms of expressing his own opinions the chances were better than nine out of ten that he would not be inhibited in saying anything he wanted to say. In my own generation the chance is one in three, or less, that a young man will be employed by big government or by a big foreign owned concern. When one works for government one must be circumspect with regard to the expression of political opinions. Large foreign owned corporations do not wish to interfere in the internal affairs of Canada and they definitely frown on their executives expressing opinions, matters of a controversial nature. If things continue to develop in the way they are developing, by the time my children are of age the chances will be 50-50 that they will not be able to speak as freely with respect to political and other matters in this country as I am, and as my father certainly was.

Let us consider the concepts of free enterprise on the one hand and of government initiative on the other. Canadians, in the face of the mounting degree of foreign ownership and control, will, I suggest, instinctively favour government enterprise because it will seem to them to be a Canadian communal effort, an effort having identity with themselves. I suggest they will tend instinctively to discriminate against free enterprise because they will inevitably come to think of it as being foreign dominated, something in which they have no vested interest, something from which they derive no obvious benefit. This hurts our Canadian image, in the sense that Canadians like to think of themselves, I believe, as prepared to take chances, to go out on their own and for opportunities' sake,

to forgo the security which usually follows from working in large government corporations, as civil servants, or for some large foreign enterprise.

There is need for some discrimination in our approach to this problem but there is also a need for legislation along the lines I have suggested. We need the capital, and so we must proceed in a thoroughly predictable way, a step at a time, with regard to this aggravating matter of foreign ownership and control. I should like to think that on this continent we continue to have a relatively free market with respect to capital—that goods and services can move freely, with the passage of time, between Canada and the United States; that people can continue to move freely and that money can move freely back and forth. We need this flexibility for our economic advantage but I think we would do well to remember what President Jefferson said many years ago.

His words had reference to King George III. He said:

> You can never give to others the power to do something for you without also giving them the power to do something to you.

This is very important, and Canadians must remember this. We obviously have to weigh two great and desirable objectives. One is faster economic growth through capital assistance from outside, and the other is our independence as a meaningful political identity. I am sure we will manage it in a predictable, thoroughly responsible way and I would certainly urge the adoption of this legislation as one significant step down the road toward attaining these twin objectives.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the whole purpose of this bill is to give corporations more scope and more tax concessions. I should like to deal today with only one aspect with regard to which I think Canadian corporations have already been given too great concessions and where in my opinion the departments responsible are not using enough care in examining what corporations are doing. I refer to the right of corporations to make contributions on a deductible basis to organizations which are of a non-profit or charitable nature.

It is not my intention or desire to interfere with contributions made by corporations or individuals to legitimate charitable and non-profit organizations, but in my opinion this type of exemption is being abused widely. Two examples of what I consider to be real abuse came across my desk, and I presume across the desks of other members of parliament, in the last week or two. I should like to discuss these today.

[Mr. Davis.]

One organization is known as the Equitable income tax foundation. As far as I can gather, the organization is made up mainly of people who are in the retail business. The president is Mr. David A. Gilbert of Toronto. The vice president is J. C. Munro of Winnipeg and the directors come from Prince Edward Island, Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia. I want to read a few sentences into the record from the letter dated October 11 which I am sure all hon. members received as I did. It reads in part as follows:

> The Equitable income tax foundation proposed today that co-operatives and credit unions should be placed on the same tax footing as ordinary investor owned companies. In a submission to the royal commission on taxation the foundation stated that co-operatives and credit unions, primarily because of their preferred tax treatment, are rapidly expanding their share of total business in Canada.

I want to bring this to the attention of the minister.

> The foundation, a non-profit organization formed in 1962 to promote the principle of equity in taxation, stated that in the entire field of taxation in Canada it had found nothing to equal the discrimination existing under the present income tax law in favour of credit unions and co-operatives.

They also included a press release dated October 11 and I want to read a few paragraphs from it.

> The Equitable income tax foundation proposed today that co-operatives and credit unions should be placed on the same tax footing as ordinary investor owned companies. In a submission to the royal commission on taxation the foundation said that co-operatives and credit unions, primarily because of a preferred tax position, are rapidly expanding their share of total business in Canada and have now reached a size and a level of efficiency that offers formidable competition to ordinary companies.

They also set out their recommendations to the royal commission as follows:

> Taxation of co-operatives on net income before deduction of patronage dividends.
>
> Abolition of the tax exemption of new co-operatives in their first three years.
>
> Abolition of the tax exemption of credit unions and caisses populaires, and a requirement that they pay taxes on net profits before patronage dividends.
>
> And tax treatment of patronage dividends in the hands of co-operative members on the same basis as dividends paid by corporations.

I could go on and on, Mr. Speaker. I do not question the right of the members of this organization to their views. I do not question their right to make submissions expressing their views to the royal commission on taxation, the government, the Minister of Finance or anybody else, but I disagree completely with their view on the desirability of taxing co-operatives as I believe the majority of the people of Canada do, and certainly as the majority of members of parliament do who

represent rural constituencies in which co-operatives have become so important as a way of helping rural people to make a living.

I believe this organization has a right to its opinions, but I certainly believe it is completely wrong that this organization, which has such partisan political views, should be able to receive contributions on a deductible basis. I think it is the height of arrogance for such an organization in such a fortunate position to be criticizing legitimate organizations like co-operatives.

Mr. Benson: I wonder whether the hon. member would permit a question. Is the hon. member for Winnipeg North aware that contributions to the Equitable income tax foundation are not deductible as charitable donations under the Income Tax Act?

Mr. Orlikow: I can only go by the information I have. I have in front of me a pamphlet issued by the Canadian economic foundation and I can supply the hon. member with a copy of it if he wishes. On it I find these words: "Canadian economic foundation, a non-profit foundation, contributions are deductible".

Mr. Garland: Mr. Speaker, I am not sure of my ground here in dealing with something which is the subject matter of a question by the hon. member on the order paper and which is in the process of being answered. However, in answer to his question, whether the Equitable income tax foundation was given the right to receive contributions which are deductible for income tax purposes and, if so, on what basis was this granted, may I say that the answer, without reservation, is no.

Mr. Orlikow: If the minister would supply the answers to questions when he has them a member would not make a mistake. If I am wrong, then the information I have is incorrect. I put my question in good faith and I do not think I am in a different position from other members. I have questions which have stood on the order paper for close to three months without being answered, although not that one.

Mr. Garland: This question was put on the order paper on October 22.

Mr. Orlikow: I said, not that particular question. I put it on the order paper as soon as I had the information. We have had answers to questions on the order paper twice this week and that question was not answered. If I am wrong, I am sorry; but that is the information I was given.

The second organization, which I have already mentioned, is the Canadian economic foundation. Its head office is at 42 Charles street east, Toronto 5. As I have already said, right on the pamphlet I have in front of me are the words: "A non-profit foundation; contributions are deductible". If that is incorrect, then the foundation is misrepresenting itself to the people from whom it is seeking contributions. The Canadian economic foundation seeks to undermine the labour movement and to thwart social progress with a Madison avenue type of propaganda imported from its United States affiliates, the American economic foundation and the American free enterprise productions, Morton Grove, Illinois.

The Canadian economic foundation is an operation which exists mainly to extract funds from reactionary and gullible employers who desire to fill the minds of workers in Canada with anti-social free enterprise propaganda. This organization has been used by two companies which have contracts with the United Steelworkers of America, namely Joy Manufacturing of Galt and the Toronto Iron Works. It has been used by the Dominion Rubber Company of Kitchener with very disastrous effects on the rubber workers union.

One of their pamphlets boasts that its techniques were used to settle a month old strike in three days. This included explaining the true economic facts of the situation in their plant. In another industry where employees were similarly informed, seven unions agreed to continue working under their old contracts for a period of 36 months without revisions or wage increases.

Now, none of the staff of the Canadian economic foundation are economists with professional training. They claim to be experts in communication, with simplified explanations of economic problems and simple solutions. For example, the Canadian economic foundation blames unemployement exclusively on high wages. It opposes social insurance such as pensions and health insurance that would take business away from private companies into government operated schemes.

This organization moved into Canada only within the last two years, and it is expanding very rapidly. It is now preparing to carry its economic study materials into all Canadian schools. It has already established a strong group in Saskatchewan to fight socialism. It would not be surprising if it were found to be preparing to play a big role there in the next general election. I do not object to that, Mr. Speaker. The government of Saskatchewan has fought the doctors, the insurance companies and many others. I do not object to any other organization, no matter what its name, going into Saskatchewan. However, I certainly object to this organization being classified by the government as a non-profit organization so that contributions to it are

tax deductible because this means that taxpayers, including people like myself, are being forced to subsidize this organization.

Mr. Garland: Would the hon. member repeat the precise name of the organization?

Mr. Orlikow: It is the Canadian economic foundation. I shall be glad to send to the minister this pamphlet and other pamphlets which are to be put out very shortly.

Now, Mr. Speaker, I have only mentioned two examples. I wonder how many more examples there are in this country? I do not want to burden the department, but I am tempted to put a motion on the order paper requesting a list of all organizations in Canada that have been given this kind of exemption. Then, we could ascertain what is taking place. I know there are many worth-while, legitimate organizations which cannot get this exemption. There are citizens of Canada, trade unionists, making contributions to the organizational fund of the international confederation of free trade unions. This fund is used to develop democratic trade unions in the underdeveloped countries. Contributions to that kind of organization are not permitted as deductions from income tax. I think it is time the government had a very close look at this question of the organizations that are permitted this kind of special privilege, and ascertained how much money this is costing Canadian taxpayers.

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, when he introduced Bill C-95, to amend the Income Tax Act, the Minister of Finance (Mr. Gordon) explained that the future of Canada was at stake in view of the state of economic inferiority in which we find ourselves at this time on account of our economic situation. He concluded his remarks with a warning which expressed both his fear concerning the foreign control of the Canadian economy and his hope that such a control would soon be removed so that Canadians would be masters in their own house.

On the other hand, as reported in *La Presse* for October 23, 1963, the Minister of Finance stated in Hamilton:

> Canada must be more independent of foreign capital.

The minister added that we must learn not to depend on foreign capital.

Mr. Speaker, the Social Credit members are happy to see that the Minister of Finance is so well disposed and especially that he intends to take a step in the right direction. However, he is wrong to think that he will achieve his end merely by establishing a new fiscal policy.

The economic growth of our country is delayed by the heavy burden of taxes which must be lightened. Distinguished Canadians who are not in politics entirely agree with Social Credit on that point. For instance, according to *Le Devoir*, the president of the Canadian chamber of commerce Mr. Victor Oland, stated last October 8:

> Proportionally to national income, per capita taxes have nearly doubled in a little less than 30 years. The strenuous efforts which are being made to remedy this economic malnutrition and which consist in giving transfusions of the patient's own blood, will end up in failure.

There, Mr. Speaker, you have a statement that our own Social Credit group is glad to support, and I do hope that the intentions of the Minister of Finance are along the lines of those of Mr. Oland.

Until now, the present Liberal government and its predecessors have acted as if they were expecting financial miracles to happen so that Canadians could become masters of their own economy.

I am amazed by the fact that politicians who are called upon to take over the destinies of our two nations can be so simple as to believe it is impossible for Canada to create the capital it needs to develop its natural resources.

Mr. Deputy Speaker: Order. In keeping with the understanding reached last night by the different party leaders, may I suggest to the hon. member that he move that the debate be adjourned?

Mr. Côté (Chicoutimi): I so move, Mr. Speaker.

[*Text*]

MOTIONS FOR PAPERS

CANADIAN WHEAT SALES ABROAD

Hon. Paul Martineau (Pontiac-Temiscamingue) moved:

> That an humble address be presented to His Excellency praying that he will cause to be laid before this house a copy of all correspondence, telegrams, communications and other documents received from the government of the United States of America, or any of its departments, or exchanged between the government of the United States of America and the government of Canada, or any of their respective departments, concerning the sale of wheat by Canada to the U.S.S.R., other communist countries and Japan, or pertaining to any representations made about the price of wheat sold to these countries.

He said: Mr. Speaker, this motion is for the production of certain documents, correspondence and papers that have been exchanged or may have been exchanged between the government of the United States and the government of Canada or any of their departments concerning, specifically, the sale of wheat by Canada to the U.S.S.R., other

communist countries and Japan, or pertaining to any representations made about the price of wheat sold to these countries. I might point out to Your Honour that I consider the most important part of this motion to be the last section pertaining to any representations made about the price of wheat sold to these countries.

The basis of my motion is published reports appearing in the press to the effect that the United States has strongly protested fixed price sales. In this connection, Mr. Speaker, I would like to quote from the *Globe and Mail* of October 10, 1963, carrying a dispatch from Washington. This article reads in part as follows:

> The United States has lodged a strong official protest with Canada over the sale of wheat at fixed prices.
>
> Department of agriculture spokesmen, who disclosed the protest yesterday, asserted that recent Canadian actions in the sale of wheat had jeopardized traditional Canadian-U.S. consultations and had undermined the world commercial market practices based on supply and demand.

Parliament is of course vested with the power of ordering to be laid before this house all documents that may be necessary in the view of its members for their information. Mr. Speaker a few days ago laid down a few guide posts concerning the production of documents. He quoted from May's sixteenth edition, from Bourinot and also from rulings made by Mr. Speaker Michener. One of those rulings was that the confidential nature of a document does not constitute a valid objection to its production. The other day when this motion was raised—I believe it was yesterday—the Minister of Trade and Commerce (Mr. Sharp) invoked the confidential nature of the documents and also stated that the filing of such documents would be a departure from normal practice and contrary to the public interest. With regard to the first point raised by the minister —that is to say, the departure from normal procedure in regard to documents exchanged between two countries—I submit very respectfully, Mr. Speaker, that in this case there has been a very marked departure from normal practice in the fact that spokesmen for the United States department of agriculture have revealed, first of all, the fact of the protest and, second, have charged that Canada has fixed the price of wheat and has not complied with agreements made on that subject. By that action on the part of Washington, by their departure from normal practice by revealing to the press details that are normally confidential, I submit that it becomes, not contrary to the public interest but in the public interest that all these documents be tabled so that parliament and the people of Canada may have before them the full story.

The minister himself admitted that there has been a leakage, and certainly he does not take that very lightly. He has also denied that there has been any price fixing. That may very well be so. But at the same time we do have statements from the authorities in Washington to the effect that a protest has been lodged. We also have the statement to the effect that the Canadian government has given assurances to Washington that there will be no further departure from the agreements. We want to know, first of all, whether such a protest has been received, and if so, in what language was it couched? Third, has the Canadian government replied to that protest; and finally what assurances, if any, have been given by the minister and the government in regard to future sales of wheat by the Canadian wheat board

These, Mr. Speaker, are the motives which provoked my calling for the production of these papers. I think their production is completely within the power of parliament. There are precedents for the production of documents exchanged between Canada and other powers. I think possibly the latest precedent was created when the hon. member for Winnipeg North Centre (Mr. Knowles) made a request last year for the production of correspondence concerning the drug thalidomide. At that time the government agreed to the motion, with the reservation that the permission or consent of the other power be first obtained. As a matter of fact, I think a good deal of correspondence was tabled as a result of the motion of the hon. member for Winnipeg North Centre to which the government agreed. Then again, because of the particular circumstances referred to above, it is certainly in the interests of this house to know about the details of the international wheat agreements and the agreements pertaining to the price of wheat. For these reasons, Mr. Speaker, I respectfully submit that this house should concur in the motion as made.

Before resuming my seat I wish to assure the minister that if he would agree to the motion, subject to reservations in regard to obtaining the permission of the United States government, its department of agriculture or any other department, as far as I am concerned that would be perfectly agreeable. There may be the question that no such documents exist. If these documents do not exist, I would like the minister to give a complete assurance in this regard. I would also like to be given specific assurances in respect to the protest which authorized spokesmen for the United States department of agriculture say was lodged and which they described as a strong protest.

Canadian Wheat Sales Abroad

Hon. Mitchell Sharp (Minister of Trade and Commerce): Mr. Speaker, when this motion was made on October 23 I replied, as the hon. member who has just spoken said, that to table confidential information of the kind requested by him would be both a departure from normal usage in the intergovernmental exchange of confidential information and would not be in the public interest. For these reasons I respectfully requested him to withdraw his motion. Now, for the reasons he has stated today, he decided not to do so and the motion is down for debate.

It seems to me, Mr. Speaker, that an important question of principle is involved here, and it is not a question that I would speak about in quite the same terms as my hon. friend. He cited instances in which these documents had been revealed by the government on request. I can imagine there are circumstances, and have been circumstances, in which it has been in the public interest for documents exchanged between governments to be presented here in the House of Commons, or otherwise revealed. My argument is that these exchanges on a subject such as the sale of wheat and the pricing policies of the respective governments are not the kind of documents that it would be in the public interest to reveal, because it would have an adverse effect upon the Canadian interest and upon the operations, in particular, of the Canadian wheat board.

Mr. Martineau: May I ask a question at this point. Does the minister consider that there has been, or has not been, a departure from normal practice by the fact that spokesmen for the department of agriculture in the United States have made the statements they have made, to which I referred a few minutes ago?

Mr. Sharp: Yes, Mr. Speaker, I regret very much that certain information which we regarded as confidential has been revealed, and I must take it from what appeared in the newspapers that this information was revealed by the United States department of agriculture. But I do not really think, and I am sure my hon. friend would not suggest, that for this reason we should on our part reveal information that it would not be in the interests of either country to reveal.

It may be that the United States officials thought it was in their interest. I do not think it was in their interest, and it certainly was not in ours; and I therefore do not intend to participate in the contest by revealing information that can only be embarrassing to both sides.

Mr. Clancy: May I ask the minister a question. Will he now disclose to us the price that the Russians are paying for the wheat?

Mr. Sharp: Mr. Speaker, I really think I ought to get on seriously with the question that has been raised by the hon. member for Pontiac-Temiscamingue when he put forward his motion. Of course I do not intend to reveal these prices. I have made this a matter of principle.

Mr. Clancy: As a matter of privilege may I interrupt again. Can we assume the reports from Washington are correct?

Mr. Sharp: The hon. gentleman has not identified the reports from Washington.

Mr. Clancy: $1.74 a bushel.

Mr. Sharp: No. I shall not confirm that price.

Now, Mr. Speaker, the reason that I do take very serious objection to this motion is that I really believe it would interfere in the future with the kind of consultations that I consider ought to be going on between our two governments and which have gone on in the past to our mutual benefit.

I can recall when these consultations were begun. It is many years ago now since I was an official and had the privilege of leading the Canadian team that went to Washington to initiate the discussions and consultations on wheat policy. During those years we had very useful consultations, and there were useful consultations more recently when the government of which my hon. friend was a member was in office. I know, from having looked at the files, that these consultations were very useful, and I do not really think it would be helpful to the continuation of these very useful consultations if I were to agree to this motion and were to table documents of the kind that he has requested.

For example, to illustrate the kind of consultations that have gone on, I said in answer to some questions in the House of Commons—and I think also in statements I made on motions—that during the negotiation of the very large contract with the Soviet union the Canadian government, on its own motion, let the United States government know about the negotiations because we believed that it was part of our responsibility to let the United States know that a massive transaction of international importance was under negotiation. Later, when the negotiations were concluded, and when it appeared that the Russians might go to the United States to buy wheat to meet their requirements, the United States government asked us if they could see the agreement and the other documents relating thereto.

That was a very useful consultation. I have looked at the files, after this motion was put on the order paper, to see what documents there were relating to that particular

transaction, and indeed there are no documents. All the documents on the files are the documents I tabled in the House of Commons when I produced the copy of the Russian agreement and the copies of the various letters that were signed at the same time. There was nothing else.

These documents were handed by our ambassador, or one of his assistants, to members of the United States administration in Washington. I could have stated, if I had wished, to the hon. gentleman that I had been unable to discover documents of the kind referred to in this motion, but I did not want to do that because I believe in principle that documents of this kind which might exist, which I have been unable to discover, which may for example exist in the files of the Canadian embassy in Washington, should not be revealed. To produce such documents would inhibit the consultations that otherwise would have gone on.

Mr. Martineau: Do I understand the minister can give no assurance that such documents do not exist?

Mr. Sharp: That is right, and I do not intend to give any such assurance. I am talking about the nature of the consultations that must go on. Most of them are oral; sometimes they may be written; but whether oral or written, it is only going to inhibit that friendly exchange of information if this kind of motion should be approved by the House of Commons and these documents have to be produced.

I do not think even to ask the United States government whether they would be agreeable to having these documents published would be helpful. As I said when I made my original statement to table confidential information of the kind requested by the hon. member would be both a departure from normal usage in the intergovernmental exchange of confidential information and not in the public interest. For these reasons I submit that the house should not approve this motion and I respectfully urge the hon. gentleman, when I have finished my remarks, to withdraw his motion because I do not believe it is in the interests of Canada.

However, I should like to speak more particularly about one or two questions which the hon. member put to me during the course of his remarks. He asked me whether any assurances had been given to the United States government about the pricing policies of the Canadian wheat board. I should like to assure him that no such assurances were given at any time. There were consultations, as there have been many times in the past, about the respective wheat policies of the two governments; but at no time has the wheat board or any official or minister of the Canadian government given an assurance about Canadian wheat prices.

Mr. Pugh: With this in mind, was any price given to the United States authorities as the bargaining price?

Mr. Sharp: No. As far as I am aware we told the United States government exactly what I have told this house—in other words, that the Canadian wheat board sold wheat at the price posted on that day to whichever customers bought wheat on that day. That is the exact information given by the Canadian government and the Canadian wheat board to all who inquire. We do not reveal to anyone the prices at which the wheat board enters into transactions with its customers. It is very easy to look at the posted prices of the wheat board on any day a sale is made to find out the price at which a sale was made. Of course you would have to know what grade had been purchased, in what position, and so on; but if you wanted to know the wheat board prices on that day you need only look at the list.

Mr. Langlois: May I ask a question of the minister. Does he mean he cannot give the price of wheat per bushel sold to U.S. buyers?

Mr. Sharp: I know the price because the wheat board has told me; but I do not, because the wheat board does not, reveal that price to anybody. That is a matter of policy on the part of the Canadian wheat board. As I say, it does post prices every day at which it is prepared to sell the respective grades of wheat then on offer; but it does not reveal what has been purchased by any particular customer at any particular price.

Mr. Langlois: Is there any reason for not revealing such a price?

Mr. Sharp: Yes; because the Canadian wheat board believes it would not be in the interests of its customers, and because it wishes to retain the good will of its customers.

Mr. Langlois: If you will permit another question, if a person wanted to compare prices of wheat for export with those on the internal market, how would he get the two prices?

Mr. Sharp: The wheat board publishes its daily prices every day and he has only to look at the posting. If he wishes to know what price the wheat board sells at today he will find it listed in the Winnipeg *Free Press*.

Mr. Martineau: Would the minister care to comment on the charge made by the U.S.

spokesman that the Canadian wheat board sold wheat to the Japanese at five cents a bushel below the prevailing price?

Mr. Sharp: I should like to say a word about this. There seems to be some misunderstanding because of the use of the words "prevailing price". The only prevailing price for Canadian wheat is the price at which the Canadian wheat board offers it. When a remark is made that the sale to Japan was at five cents below the prevailing market price, that statement has no meaning. The fact of the matter is that the price at which the Japanese sale was made was approximately five cents higher—if you use No. 1 northern as the basis—than the price at which wheat was sold to the Soviet union. Since that time the price of No. 1 northern has risen another three cents according to the posted prices of the Canadian wheat board.

Mr. Pugh: What about the long term contracts?

Mr. Sharp: These transactions by the wheat board, as I have said on many occasions, are made at their offered, posted prices on the day on which the sale is made. Any statement that the sales to the Japanese were made below the market price is meaningless. There is only one market price as far as Canadian wheat is concerned, and that is the price at which the Canadian wheat board sells wheat.

Mr. Martineau: Do the United States and Canada have, shall we say, a gentleman's agreement in that regard?

Mr. Sharp: No, there is no agreement of that kind between Canada and the United States. There is only an agreement to consult. As I said when I was explaining the policy of the Canadian wheat board, which incidentally had the full approval of all spokesmen on the other side of this house who followed me on that occasion, the Canadian wheat board decided to protect its regular customers and in pursuance of that policy did enter into a sale to Japan for delivery over the next eight months at the price which prevailed on the day of the sale.

Mr. Martineau: May I ask if in this particular case there was consultation with the United States?

Mr. Sharp: I do not know what the hon. gentleman means by consultation. If he means was there agreement—

Mr. Martineau: The minister himself said there was no agreement but that we do consult, so I want to know whether there was consultation, or did he consult?

[Mr. Martineau.]

Mr. Sharp: At about the time the transaction was entered into there were consultations proceeding between the two governments.

Mr. Rapp: I should like to ask a question of the Minister of Trade and Commerce. I fully approve of the methods used by the Canadian wheat board for selling grain, but with these long term agreements is there not a clause whereby, at a certain time, say every six months or every three months, the price would be reviewed by the Canadian wheat board and the party to whom they sold the wheat? So far the method applied by the Canadian wheat board over the years meets with the approval of the farmers, except in cases of long term agreements, which perhaps should be reviewed from time to time on account of fluctuating prices on the world market. Would the minister answer that question?

Mr. Sharp: The Canadian wheat board is prepared to enter into contracts for early delivery and for delivery over a period of time. It is not prepared to enter into contracts for delivery, for example, beyond the end of the current crop year. It has, however, entered into some contracts extending up to the end of the current crop year, the most notable being the sale to the Soviet union and that made to Japan. The Canadian wheat board has not been prepared to enter into any sales for delivery beyond that date. That is the policy of the Canadian wheat board at the present time, and they believe it appropriate to present circumstances. There are some sales which are for much earlier delivery to other countries; but in order to protect the position of its regular customers during this current crop year it entered into some transactions in which the price is fixed for delivery during the balance of this crop year.

Mr. Clancy: Do I have to go to North Dakota to find out the price at which the wheat board sells wheat to Russia, or are you going to give it to us?

Mr. Sharp: I think I have answered this question on a number of occasions. I would not do damage to the Canadian wheat board and I hope my hon. friend would not. I hope he agrees that it would not be in the interests of the marketing of Canadian wheat to reveal the prices at which the contracts are entered into.

Mr. Langlois: If I may ask another question, I might say I am sorry that I cannot get the price of the wheat sold to Russia. They know what they paid for it but we do not. In this transaction, was only the Canadian wheat

board involved or did any of the grain exchanges contribute to this contract, either directly or indirectly?

Mr. Sharp: The answer to that is that the Soviet government employed the private grain trade to act as its agent in its purchases from the Canadian wheat board.

Mr. Langlois: Does that mean that some of the Canadian grain exchanges contributed to the making of this contract?

Mr. Sharp: No, they perform services in handling the wheat as between the Canadian wheat board and the Soviet union.

Mr. Langlois: Do we know how much it costs the country for their services?

Mr. Sharp: The costs were paid by the Soviet union. I have no idea what they paid.

Mr. Pigeon: Does the minister think the devaluation of the dollar helped the wheat board to sell our grain?

Mr. Sharp: The devaluation of the Canadian dollar took place before we took office. My understanding of the policy of the Canadian wheat board is that it raised its price in Canadian dollars to the equivalent of what it had been before the dollar was devalued and stabilized, so it did have the result of increasing the return for the western farmers and, I believe, it did have the effect of contributing to the increase in sales.

I could go on to speak of this subject at some length but I think the time I have at my disposal is limited. I would respectfully ask the hon. member who placed this motion on the order paper whether, in view of the assurances I have given him and of the public interest involved, he would be prepared to withdraw his motion.

Mr. Martineau: In reply to the request made by the minister, the fact that he has given an assurance that he cannot find any such documents, although they may exist—

Mr. Deputy Speaker: Order. If the hon. gentleman speaks now I must warn the house that he will close the debate.

Mr. D. V. Pugh (Okanagan Boundary): I should like to say a short word on this. It seems we are not likely to be given these documents, because the minister says they are not readily available, and in any case it is not the custom to disclose them. I am inclined to agree with what has been said. However, some good may yet come out of this discussion. It is important, of course, that consultations between Canada and the United States on these matters should be of a confidential nature. Apparently in this case somebody shot off his mouth. I wonder whether any steps have been taken at this end, perhaps only in the form of a polite request, to ensure that a similar breach of confidence will not occur again. This is not the first case in which there have been such disclosures. It is not the first case where bulletins have appeared in newspapers after private consultations of an important nature, discussions which the minister himself has said must be kept secret. Why has there been this chatter from the other side of the line? It occurs to me that if the officials here were to take up this matter and lodge a protest with their counterparts in the United States, then the official concerned who made the breach in security would get kicked twice as hard. If we could get that kick across to someone in the United States the discussion today might not have been without value.

Mr. Langlois: I agree with the hon. member who has just spoken, that on a number of occasions we read in newspapers published on the other side of the line information which concerns us, first of all, and it is depressing to find that our neighbours get this information before we do.

The minister told me that the Russians had paid the grain exchanges involved in this transaction. Could the minister tell me whether the sums paid to the grain exchanges were included in the total price of the wheat or whether it was something additional that we knew nothing about.

Mr. Sharp: The prices at which the Canadian wheat board made wheat available to the agents who purchased wheat on behalf of the Soviet union were prices at fixed points in Canada. Those were the wheat board prices. The agents who act on behalf of the Soviet union compete with each other in offering to move the wheat from those points to the Soviet union at the lowest possible rates. The estimates I have given from time to time as to the value of this transaction were based on prices fixed by the Canadian wheat board and did not include any of the other charges paid by the Soviet union for moving the wheat.

Mr. Langlois: Was any Canadian grain exchange involved in these transactions?

Mr. Sharp: As I understand it, the Soviet union engaged a great many agents and these possibly included some companies which have their head offices in Canada.

Mr. Macdonald: On a point of order, there are some members on this side who might wish to say something on this motion if the hon. member wishes to proceed with it. I

wonder if it would be possible to get unanimous consent to allowing the hon. member for Pontiac-Temiscamingue (Mr. Martineau) to make an additional statement without closing the debate on this particular motion?

Mr. Clancy: I would like to ask the minister if the Russians belong to the international wheat agreement. I should like to ask him to table in this house the price paid at the lakehead for this grain. This is important to us.

Mr. Sharp: I will be very happy to table the price list of the Canadian wheat board on the day the Soviet union purchased wheat, but I am not going to reveal here, for reasons which I have given on many occasions, the details of the transaction with the Soviet union because I believe that to do so would be contrary to the interests of the western farmers.

Mr. Langlois: We know the price set by the wheat board. It fixes the price. Is it possible to obtain information as to what the grain exchanges, whether Russian or Canadian, received in connection with this deal? If the commission were too high, that might influence some of our sales abroad. Can the minister say what the commission was? I should like to know if it is possible to get information about their profit on this sale.

Mr. Sharp: I think the western farmers did very well out of this transaction and I am happy to be associated with it. The question the hon. member is asking is what commissions were paid to various agents of the Canadian wheat board and of the Soviet union. I am not in a position to give this information.

Mr. Langlois: Even with regard to internal transport from western to eastern Canada, we want to find out how much profit the grain exchanges made on this transaction. If it were excessive it might be one reason why some of the contracts have fallen through in the past ten years.

Mr. Sharp: This cross-examination must be very irregular. I suggest that these are the kind of questions which ought to be directed to the Canadian wheat board when representatives of the board appear before the committee on agriculture. I do not think it is fair to ask a minister for information in this detail on the kind of motion we have before us.

Mr. Deputy Speaker: I am afraid I shall have to call the attention of the house to the procedure we are adopting here. I feel this is extremely irregular. Maybe we can get back to the point at issue.

[Mr. Macdonald.]

Mr. Lawrence E. Kindt (Macleod): Mr. Speaker, I should like to ask another question on this subject. I have not had an opportunity to do so and I think it is only fair and proper. Statements have been made by the minister concerning the wheat price on the day on which the sale was made to Russia. I have not got the exact Winnipeg wheat price in Canadian funds but I do have the March futures price at Chicago, which was $2.08. In Canadian funds that means about $2.20 a bushel. I should like to have the attention of the minister. Taking the price which was leaked from Washington of $1.74 at the lakehead, the difference between $1.74 and $2.20 is 46 cents a bushel.

When I came back to the house on the 30th of September I asked the minister what sacrifice had to be made in order to close the wheat deal with Russia. We all know that when a buyer walks in to buy a million bushels he will pay a certain price. He might pay the price of the board on that particular day, to which the minister keeps referring. But if he is buying 227 million bushels he will ask for a better price. I think I was perfectly within my rights on that occasion to ask the minister what sacrifice had been made in order to close the deal with the Russians.

I have given the minister the figure for the U.S. March future which, after taking the exchange rate into consideration, means a spread of about 46 cents a bushel. I would hope there was not such a spread but we are not getting any information from the minister. I think we are going to have to keep at this thing until we get some indication because the farmers of the west are asking for the information. My mail is full of questions as to what the price was and how it is related to the price of $1.74 which was leaked from the United States. I can tell the minister now that if he sold the wheat at $1.74 there will not be a Liberal elected west of the great lakes.

The Acting Speaker (Mr. Batten): Order. I must remind the house again that the Chair has been very lenient in the argument that has been going on. I want first to remind the house that we are not in committee at this stage. Second, I want to remind the house that this is not a question of the operation of the government or the operation of the wheat board but rather a question of whether the papers referred to in the motion should be tabled. I think we should confine our debate to the question before us.

[*Translation*]

Mr. Gerard Chapdelaine (Sherbrooke): Mr. Speaker, I wish to direct a question to the

Minister of Trade and Commerce. Does he remember that last year—

[*Text*]

The Acting Speaker (Mr. Batten): Order. If the hon. gentleman is rising to make a speech on the motion I will be pleased to hear him, but I feel I cannot permit a series of questions as if the house were in committee.

[*Translation*]

Mr. Chapdelaine: Very well, Mr. Speaker, I will make a few brief remarks in the form of questions.

I wish to draw the attention of the Minister of Trade and Commerce to the fact that last year, the then minister of agriculture, the hon. member for Qu'Appelle (Mr. Hamilton), when asked the price of the wheat sold to China, always replied that he did not want to reveal it because such disclosure might affect the transactions of the Canadian wheat board with foreign countries. At that time, all the Conservative members strongly supported the stand taken by the minister of agriculture.

That is why, I wonder through what mental process or acrobatics those same Conservative members can insist so strongly today to know the price of the wheat, when they always refused to give such information themselves.

[*Text*]

Mr. Martineau: Mr. Speaker, I do not know whether any other member wishes to speak on this motion—

The Acting Speaker (Mr. Batten): Order.

Mr. Macdonald: Mr. Speaker, I rise on a point of order to suggest that if the hon. member is not going to withdraw his motion other members on this side of the house would like to speak. Perhaps the hon. member for Pontiac-Temiscamingue could speak on the point of order to indicate whether or not he wishes to proceed or whether it will be necessary for us to continue the debate.

Mr. Martineau: On the point of order raised by the hon. member for Rosedale, I should like to make the following remarks. First of all, I think that the statement made by the minister has been very helpful and has certainly thrown a lot of light on this situation. I wish to thank him for his statement and also for the assurances he has given in regard to the existence or non-existence of the documents. Because of those assurances I am quite agreeable to withdrawing my motion.

The Acting Speaker (Mr. Batten): Is the house agreed that the hon. member for Pontiac-Temiscamingue should withdraw his motion?

Some hon. Members: Agreed.

Order discharged and motion withdrawn.

PRIVATE BILLS

CANADIAN UNION CONFERENCE CORPORATION OF SEVENTH-DAY ADVENTISTS

Mr. Russell C. Honey (Durham) moved the second reading of Bill No. S-36, respecting The Canadian Union Conference Corporation of Seventh-day Adventists.

He said: Mr. Speaker, it is a pleasure for me to move the second reading of Bill No. S-36, an act respecting the Canadian Union Conference Corporation of Seventh-day Adventists. In the township of Darlington at the westerly extremity of my riding we are pleased to have many members of this church, and in the city of Oshawa, only a block or two west of the westerly limit of my riding, is located the administrative offices of the Seventh-day Adventist church in Canada as well as a large modern new church and a college.

The Seventh-day Adventists are known throughout the world for their missionary work not only in the spreading of the gospel but in the practice of medicine, the administration and construction of hospitals and general assistance to mankind, both spiritual and material, in all parts of the globe. The Seventh-day Adventist church is a Protestant Christian denomination. The movement had its beginning early in the 19th century and the church was officially organized in 1860. Today members of this church are found everywhere across our nation and there are over a million and a quarter members around the globe.

Hon. members will have studied the bill now before the house and I will not go into details with respect to its provisions. The bill amends the legislation enacted in 1955 which created the Canadian Union Conference Corporation of Seventh-day Adventists, which is the corporate entity representing the Seventh-day Adventist church in Canada. Clause 1 of the bill changes the somewhat cumbersome name of the Canadian Union Conference Corporation of Seventh-day Adventists to the shorter name of the Seventh-day Adventist Church in Canada or Eglise Adventiste du Septieme Jour au Canada.

Clause 2 removes the limitation on the powers of the corporation to hold land. Clause 3 enlarges and clarifies the powers of the corporation in connection with the printing

and distribution of works for religious education, art and science. Clause 4 of the bill makes it clear that the regular general meetings of the corporation need be held only once in every four years. Thus, the general meeting may then be held at the same time as the quadriennial general conference of the church.

Generally then, Mr. Speaker, this bill is designed to update the legislation, to bring it more into conformity with general corporate practice as well as with the current requirements of the corporation, if it is to function as efficiently as possible for the church which it represents in Canada.

Mr. Raymond Langlois (Megantic): Mr. Speaker, I am in favour of the change in name and the acquisition of the French name, which is a simpler one than this organization had before. Could the hon. member who has just resumed his seat possibly give more information as to when this organization was started and the provisions for the acquisition of land by the corporation? Does the corporation intend to extend its land holdings, and how much does it hold now? I should like some more information about the financial aspect because the religious aspect does not concern me.

The Acting Speaker (Mr. Batten): I should advise the house that if the hon. member speaks now, he will close the debate.

Mr. Honey: I thank the hon. member for Megantic (Mr. Langlois) for his question. As I mentioned previously, this corporation, the Canadian Union Conference Corporation of Seventh-day Adventists, was incorporated in 1955. As I understand it, and I stand to be corrected, provision was made in the act of incorporation for the holding of land by the corporation. If this bill is referred to the standing committee, perhaps I can get my hon. friend more precise information. Now, like many corporations of a religious nature, with charitable and religious objectives, there was a limitation on the power to hold land in the incorporating statute. From time to time permission has been granted by the other place for the enlargement of the land holdings by this corporation.

As I understand it now, clause 2 of this bill will make it possible for this corporation to acquire other lands and generally to extend its holdings throughout Canada without the necessity for coming back to obtain legislative authority. This will give the corporation authority to acquire and hold land.

Mr. Langlois: Mr. Speaker—

The Acting Speaker (Mr. Batten): Order. May I remind the hon. gentleman that the house was warned that if the hon. member for Durham spoke he would close the debate. Therefore, I cannot allow any further debate on this question.

Is it the pleasure of the house to adopt the motion?

Motion agreed to, bill read the second time and referred to the standing committee on miscellaneous private bills.

Mr. MacNaught: I suggest that by unanimous consent we call it six o'clock because it would be unfair to ask any hon. gentleman to start on his bill in the few minutes left at our disposal.

The Acting Speaker (Mr. Batten): Is it agreed that we call it six o'clock?

Some hon. Members: Agreed.

SUPPLY

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Chairman: Order, house again in committee of supply, vote No. 1, Department of Fisheries.

DEPARTMENT OF FISHERIES

1. Departmental administration, $461,000.

The Chairman: Shall item 1 carry?

Mr. Robichaud: Mr. Chairman, in introducing the estimates of the Department of Fisheries this evening it is my intention to make a few remarks in connection with the work done by my department. First I would like to say a few words as to the present standing of the fishing industry. In 1953 Canadian commercial fishermen landed about 1.8 billion pounds of fish and shellfish, valued at $91 million. In the succeeding ten years landings showed an upward trend which, however, was not consistent from year to year. The annual variations within the trend were largely accounted for by the output of the British Columbia herring fishery and the Newfoundland cod fishery. Despite the rather uneven course of annual landings over this period there was a discernible growth in the value of such landings—that is, in the gross returns to fishermen—and by 1962 this had reached almost $130 million, an increase of $41 million in a period of approximately ten years, or an increase of 43 per cent, most of which was recorded in the last three years.

This satisfying expansion in gross returns to fishermen in the last few years is based,

however, upon a general increase in the prices of the important species, which in turn has resulted from the growing demand for fishery products, principally in Canada and the United States. As we all know, about 80 per cent of the production of Canadian fish processing plants is consumed on this continent, so there is no doubt of the importance of North American consumers to the Canadian fishing industry. The value of exports to the United States in 1962 was $114 million, which is about half of the plant or commercial value of the fishery products of this country. The size of the North American market for fishery products is often described by reference to estimates of per capita consumption of 13½ pounds per person in Canada and about 11 pounds in the United States at the present time. As I have mentioned in this house in previous years, I do not think we should be satisfied with such a limited consumption of fish per capita in a country where the fishing industry is of major importance. We all know that these averages have been quite stable for several years, and this stability is sometimes cited in support of the pessimistic views about consumer acceptance of fishery products on this continent.

With the north American population growing at an annual rate of about 3.5 million, however, the per capita figures obscure an absolute growth in fish consumption of 40 million to 45 million pounds of products each year. This increase in the demand for fishery products requires, on the basis of rough estimation, an additional 80 million to 90 million pounds of raw material. These estimates indicate the magnitude of the additional supply of fish and shellfish required by north American consumers each year and the need for an increased production. The strength or weakness of the continental market has an obvious implication for the Canadian fishing industry. Thus far 1963 has followed the pattern of recent years. Landings for the first eight months are estimated to be 77 million pounds larger than in the same period of 1962. The landed value, however, is about $4.5 million less. On the surface this would seem to contradict what I said earlier about the course of prices. However, the drop in value is attributable principally to the restriction of the salmon catch in British Columbia during the industrial dispute which took place a few months ago. The value of British Columbia salmon landings alone, up to August this year, was $6.6 million less than it was in the first eight months of 1962. This is also reflected in the size of the total pack, which is 1.2 million cases this year as compared with 1.8 million cases last year. This gives only a partial picture of the effect this strike had, not only on the value of fish production in British Columbia but also on the total economy of that province, which it is estimated has lost well over $10 million. In the Atlantic provinces landings for the first eight months of this year were 48 million pounds larger than in the same period of 1962, and the landed value increased by $3.6 million. These figures represent a continuation of the trend referred to earlier, and which is at least part of the reason for the investment activity which has been pronounced in the region over the last 18 months. Several new plants have been built in Quebec, New Brunswick and Newfoundland, and others are under construction in Nova Scotia and Prince Edward Island. Nineteen large trawlers, over 100 feet in length, have been added to the ground fish fleet, and 11 large draggers to the scallop fleet in the same period.

The demand for fishery products has not only led to higher prices for the additional traditional Atlantic species, but also to efforts to capture and market new species such as the porbeagle and tuna. I am sure all hon. members of the house know what a porbeagle is. It is what is commonly called the mackerel shark. This trend may well continue as more and more effort is exerted upon traditional stocks of ground fish not only by the expanded Canadian fleet, but also by those from other countries.

As hon. members all know, the principal commercial fisheries in Canada are found along our extensive sea coasts. Some of the resources, such as lobster on the Atlantic coast, are localized in areas close to our shores. Others, such as cod, roam over wide areas of the Atlantic ocean in the territorial waters of Canada, as well as hundreds of miles out to the edge of the continental shelf. These fisheries on our east coast have been exploited for several centuries by the fishermen of Europe and the United States, as well as by those of Canada.

Mr. Clancy: Mr. Chairman—

Mr. Robichaud: Similarly, on our Pacific coast the fishery resources—

The Chairman: Order. Is the hon. member rising to ask a question?

Mr. Clancy: What I suggest is that the minister have unanimous consent of the house to have his speech printed in *Hansard*, and get on with the business of the house.

Mr. Robichaud: Well, Mr. Chairman, I know the hon. member is keenly interested in the fishing problems of our country—

Mr. Clancy: I certainly am.

Mr. Robichaud: —and I am sure he would be willing to change his mind and listen to the few remarks I have to make. As I said, similarly on our Pacific coast the fishery resources on which the Canadian fishing industry depends are accessible to foreign fishermen far beyond Canadian territorial waters. Means must be found to provide adequate protection for these resources so as to assure a sustained yield to present and future generations of Canadian fishermen. For this purpose the government has taken steps to establish a 12-mile exclusive fishery zone along the whole of Canada's coast line, and to implement the straight base-line system as the basis from which Canada's territorial sea and the exclusive fisheries zone will be measured.

Because of treaty rights of certain countries and claims to historic fishing rights of others, discussions with the interested countries have been initiated, with the view to determining the nature and extent of the rights and interests which may be affected by the action which Canada is taking.

As the Prime Minister indicated in his statement last June, it is our hope and belief that we will be able to reach agreement with such countries on mutually satisfactory arrangements.

However, as I mentioned above, resources harvested by Canadian fishermen are also exploited by fishermen of other countries or are accessible to them in the high seas many miles beyond the 12-mile fishing zone. It is therefore necessary to reach agreements with the countries concerned for the protection of these resources. In addition to several treaties which we have with the United States on management of fishery resources of common concern, Canada is a party to two multilateral conventions of great importance to the fishing industries on both the Atlantic and Pacific coasts of Canada.

On the Pacific coast, the north Pacific fisheries convention between Canada, Japan and the United States, which was brought into force in 1953, has come up for revision at the request of the Japanese government. As I have already informed the house, two conferences have been held, one in Washington last June and the other in Tokyo last month. So far it has not been possible to reach full agreement on a revision which could be accepted by the three countries, but as I reported in my statement to the house on October 9, the Tokyo meeting recessed with a feeling of optimism regarding agreement on a mutually satisfactory convention. The government is hopeful that the recessed conference may be held in Ottawa next spring, and is taking appropriate steps for that purpose. In the meantime, and I want to emphasize this, the present convention remains in force.

On the Atlantic seaboard the problems of conservation of the resources harvested in the high seas adjacent to our waters are being taken care of by the northwest Atlantic fisheries commission, composed of representatives of 13 nations who are parties to this convention. At the last meeting in June of this year of the commission, on the initiative of Canada an amendment of the convention was proposed, which would make possible the establishment of control measures in the enforcement of conservation regulations.

In the great lakes the lamprey control program of the great lakes fishery commission continues to show encouraging results. In lake Superior over 80 per cent control has been obtained and there are signs of recovery in the important lake trout population. Extension of the control program in lake Michigan and lake Huron is to be continued. Progress made by the commission since its establishment in 1955 is to be reviewed by the contracting parties this year, to determine the desirability of continuing, modifying or terminating the convention, and we are hopeful that the results so far will mean we will carry on with the work which to date has proven so successful.

I wish to speak for a few moments on the modernization, mechanization and expansion of the fishing industry. Many fishing nations are making tremendous progress not only to increase the fishing efficiency of their respective fleets and to expand their fishing operations, but to improve the working conditions of their fishermen, ensure their safety at sea and also improve their earnings.

Just as other industries are moving into the age of electronics and automation, so is the fishing industry. Today even small boats are installing electronic equipment, while the larger deep sea fishing vessels are becoming complex units with electronic navigation, fish-finding and communication equipment, as well as remote control systems and automatic pilots. This in turn means that the need for vocational training within the industry is assuming a position of critical importance.

Recently we have seen where the department's activities in co-operation with the provinces have resulted in the introduction of synthetic fishing gear on the Atlantic coast. Thousands of fishermen who have been engaged in traditional fishing methods are changing to a new type of fishing operation which is resulting in an increase in their per capita landings.

Studies are now being conducted aimed at providing fishermen with an improved design of inshore boat featuring maximum safety, and which will enable a more effective prosecution of the inshore fishery. The department is encouraging the development of a commercial tuna fishery on the east and west coasts, which it is hoped will ultimately lead to the establishment of a permanent tuna fishery in Canada.

The technical services of the department are being made available to the provincial fisheries administrations and to the fishing industry in an increasing extent. Any provincial or industrial enterprise encountering problems in any phase of the fishing industry is invited to seek technical advice from the department.

In addressing the annual meeting of the Fisheries Council of Canada on April 24 last, a few days after resuming the office of Minister of Fisheries, I announced that I proposed to call a federal provincial conference on fisheries development. I then wrote to the ministers responsible for fisheries matters in all ten provinces inviting them to participate in such a conference. I asked the ministers to submit any suggestions they might have for agenda items to be considered at such a conference. I received a most enthusiastic response from all provinces and a long list of very useful suggestions. Earlier this week we had the visit of the minister of fisheries for New Brunswick and his deputy minister. This morning we had with us the minister of industry for the province of Prince Edward Island and his director of fisheries, and both have presented their views and suggestions for this conference.

On this basis, arrangements have been made for the conference, which is now scheduled to take place in Ottawa during the week of January 20, 1964. At this conference all aspects of federal and provincial fisheries administration having a bearing on development of the industry will be discussed. It will be our objective to work out with the provinces the best possible approach to provide those services which are necessary to encourage expansion and development of the industry. It will be our endeavour to overcome impediments to development wherever or whatever they may be. The Canadian fishing industry has made real progress over the last decade, but I am convinced that with a co-ordinated program and encouragement a great deal more can be done toward fully utilizing the sea and fresh water resources available to us. The business of catching, processing and marketing fish is a responsibility of private enterprise, but governments through research, the discovery, testing and demonstration of new techniques, the provision of vocational training as required and in other ways, can play a part in achieving maximum results. In the meantime I have been fortunate in having had the opportunity to discuss those questions personally with most of the provincial ministers concerned. I have no doubt whatever that this first national conference on fisheries will prove extremely useful to all concerned and that the national development program which will follow will result in an unprecedented expansion for Canadian fisheries.

The estimates for the department's conservation and development service are, of course, mainly designed to cover normal supply, replacement and maintenance of the protection organization and the established programs in fish culture. These programs are essential for the maintenance of our fisheries and must be continued vigorously. I am sure that most hon. members know of the important work that is being carried out in Canada by the fisheries research board. These research activities fall into three main categories, and broadly may be summarized as research in aquatic biology dealing mainly with fish, research in oceanography and limnology, and research in fisheries technology.

Without going into the full operations of the board at this time I should like to point up some of the work that is being carried out. This year a spring survey was conducted of distribution and abundance of Pacific salmon in the open waters. This shows promise of having real value in forecasting supplies of salmon by species and area on the British Columbia coast which would be of great value to fishing operations.

Expansion of fisheries research has been possible during the past few months through the activities of the board's research vessel, the *G. B. Reed*, in the Pacific ocean. In its first year of operation the vessel explored potential fishing areas for ground fish and crustaceans in the north gulf of Alaska. A continuing study is being carried out of the oceans as a home for fish covering such subjects as seasonal and year to year variability in temperature and salinity, etc., and the board's work in this field is co-ordinated with other government departments and universities through the Canadian committee on oceanography.

Fisheries research presently going on in Atlantic coast waters includes bottom surveys, which are providing useful forecasts of stock concentrations as a guide to fishing places and times. Studies on the processing of inshore cod in the Newfoundland area has

been concentrated and given new direction. The physiological condition of fresh caught fish is found to have an important effect on the shelf life and taste of the final products. Methods of impounding the cod to avoid seasonal gluts, pasteurization by gamma irradiation, freeze drying, and a freeze-thaw-refreeze sequence are all under study.

New products, such as fish sausage and fish pancakes, have been developed from freshwater species in the technological laboratories of the board, and these processing methods are now available to processors for commercial use. A new method has also been developed for producing protein concentrate, commonly called fish flour, which has resulted in a product acceptable as human food. The raw material employed in the production of this product can be fish that are of little use at present, or materials that are now being discarded.

Only through maintaining the highest quality in fish and shellfish products can sales be increased at both the domestic and export levels. The department, in co-operation with industry itself, provides inspection services for this purpose. I am happy to report that there has been a continued increase in the acceptance by industry of the voluntary inspection of fresh and frozen fishery products under the Canadian government specification board standards. Consumers also appear to be more aware of the assurance of highest quality given by the maple leaf design on these inspected products.

The Canadian scallop industry has grown at a very rapid rate during recent years. In order that this industry may maintain its reputation for high quality, standards for scallop meat were established following consultation with industry. Compulsory inspection of scallops, including the plants in which they are processed, is now in effect. Further inspection measures have been introduced in other fields.

So that a better service can be given to the inspection of fishery products in northern British Columbia, a permanent fish inspection laboratory service has been made available at Prince Rupert. Because of the very high price attained by lobster, there has been over the years a problem of illegal fishing and processing of this species. The intensified efforts of the department's protection officers coupled with the added check by fish inspection officers appears to have greatly curtailed this illegal operation. An education program has been introduced which has had some result, but I am not satisfied that we have gone far enough. It is our intention to introduce a more practical and effective education program which we hope will reach the fishermen concerned and make them aware that we are introducing such protective measures for their own benefit and that of future generations. The department is continuing its program of consumer education to bring about a greater use of fish and fishery products in Canadian homes and institutions, and other establishments which cater to group feeding.

Thousands of individual copies of fishery consumer publications are distributed annually by the department's home economists who are strategically located across Canada, and the large number that are requested indicate a growing interest in the use of fish in regular menus. That there is much more interest in using fishery products is also reflected in the number of Canadians who have purchased from the queen's printer the department's large consumer publication entitled "The Canadian Fish Cook Book". This book now going into its fourth printing in English and third in French is one of the queen's printers best sellers.

Audio visual aids, such as film strips and slides, are being widely used by the department to interest and educate the consumer about fishery products, and a stepped up program in this field is being contemplated. At the moment the department has over 550 consumer film strips of five different titles in circulation. The excellence of these film strips which have been produced by the national film board for the department is evidenced by the fact that three of them have won awards at the American film festival in competition with others from many other countries.

Another way in which the department continues to interest those responsible for planning menus to use more fishery products is by the attendance of its home economists at hotel, restaurant, home economic and dietetic conventions. Consumer displays are manned by home economists at these events.

The evolution of fishing and processing methods in various fisheries fields has been spurred in a significant manner by the activities of the department in collaboration with other fisheries agencies, and it is planned to speed the reporting of these new findings to the attention of primary producers through publications and by visual means when possible. Coupled with this will be a greater use of instructional and educational material among fishermen both in printed form and through displays at exhibitions and other events frequented by those in the fishing industry.

In order to keep pace with rising construction costs, the upper limit of value for vessels eligible to come under the low cost insurance of the fishermen's indemnity plan has been increased from $10,000 to $12,500. This plan

has been widely accepted by fishermen. Currently 6,634 vessels valued at $22.5 million are covered. Over the ten years of operation, indemnity payments under the vessel plan have exceeded premium revenue by $126,000 or only $12,600 per year despite the low premium rate of only 1 per cent of appraised value.

This has been but a brief look at some aspects of Canada's fisheries and the efforts that are being made to place this great industry on a sound financial footing so that it may make an even greater contribution to the welfare of the thousands of our people who look to it for their livelihood, and to the nutritional well-being of Canadians.

However, in concluding, there is one further aspect to which I should like to refer for a moment and that is the human element—the fishermen who reap the harvests of the oceans and of our lakes. It is with deep sadness each year that we see men going down to the sea never to return as both our coastal waters and the deeper depths take their toll of lives. It is a tribute to the courage and hardihood of our fishing force that their ranks continue to be strong and enduring. This is a sobering thought, but it is one that urges us to continue our efforts in those fields which will lead to development of fishing craft and gear and other vital equipment which will bring greater measures of safety, comfort and remuneration to our fishermen.

I may have spoken at some length but I felt this was an occasion to put before members of the committee some of the work which has been done by my department. We have in the Department of Fisheries a number of devoted civil servants who have the interests of the fishing industry at heart. As the estimates proceed, I will be in a position to answer the questions which will be put to me by hon. members.

Mr. MacLean (Queens): Mr. Chairman, first, I wish to congratulate the minister upon his opening statement. I must say it is an experience one always remembers to have the first opportunity of presenting estimates as a minister of the crown, before the committee of the whole.

In his closing remarks, the minister referred to the devoted services which the officials of the Department of Fisheries have given to Canada over the years. If I may digress for a moment, I should like to point out in passing that these estimates were prepared under the direction of the former deputy minister, Mr. George Clark. It was his expectation that he would be the adviser to the minister concerned when they were being piloted through the house. We are all aware of his untimely and sudden death in Tokyo while in the service of the department and I think all members of the committee would wish to join with me in expressing sympathy to his widow and children. I should like to mention, also, that in common, I think, with all members of this committee I wish his successor every success in the duties which fall to him in this important field, the fishing industry in Canada. He has with him one of the finest groups of civil servants of which any country could boast in the fishing field and it is a credit to us that the chairman of the fisheries research board, who recently retired from that position, has gone on to another very important position in the United States. I wish his successor, too, every good fortune in his new responsibilities.

The estimates which have been presented and which are being examined by the committee tonight are, of course, the estimates which we prepared when I was the minister responsible for the department. They were approved by the treasury board of the government of that day as well as by the government itself. We approved them then, and I speak on behalf of the official opposition when I say we approve them now. We have no intention of prolonging the examination of these estimates on this occasion. I might say, though, that the minister is fortunate tonight, because I suspect this is the best set of estimates he will ever have the honour to present.

All this is not to ignore the responsibility and the opportunity of directing the attention of the committee and, perhaps, of the country, to the important problems which face our fishing industry at the present time. As the proceedings go on, one or two other members of this party will be making brief contributions to the discussion. We reserve the right to take full part in any debate which may develop, should the proceedings be drawn out by members of the committee in other parties.

There is another reason why my remarks will be brief. Because this is an election year we are now far advanced in this fiscal year to which these estimates apply, and eight twelfths of them have, in fact, been granted already by means of interim supply votes. Though this does not limit the right to debate them fully, it means we are far advanced in the fiscal year and the estimates for 1964-65 which are, no doubt, now in the course of preparation are really more current than are the ones we are examining at the present time. In addition, these new estimates should be before the committee, I would think, in the early winter months. At that time we will have an opportunity to examine in more detail the indications of any changes in policy which may have resulted from the views of

the new government and they will be judged fairly, we think, but on their merits, be they good or bad.

In passing I want to mention a general subject which the minister has dealt with having to do with the importance of the fishing industry in Canada. The fishing industry in Canada has been remaining fairly constant over the last few years, in common with those of some of the other important fishing countries of the world, but in terms of percentage of the world's fish catch Canada is dropping down. This is partly due to the natural development of some of the highly populated countries of the world. Great strides have been made in those countries in developing means of reaping the resources of the seas as a source of protein food.

But this brings into focus perhaps the most important problem of the industry. The living resources of the sea, unlike almost any other natural resource, are common resources. They are owned in common not only by the people of one country but by those of all countries of the world—in other words, by humanity as a whole. One of the great problems that has to be solved in the future is the finding of a rational and reasonable means of fair exploitation of these resources and the carrying on jointly of reasonable conservation methods by the countries of the world to preserve these common resources to be exploited by all.

In this connection, as the minister pointed out, we are a party to seven different fisheries treaties, I believe. These treaties have to be renegotiated. Conferences are constantly being held in connection with them and this puts a very great load on the departmental officials. The department is in a unique situation in this regard. It is relatively small but it has these great responsibilities. I would recommend most strongly that the government give consideration to setting up in the Department of Fisheries a special branch to deal continuously with our international obligations. It is a matter that has been given brief consideration in the past but the situation is becoming more complicated. I hope this suggestion will not be lost sight of because I believe these great responsibilities place an unreasonable load on the administrative officers of the department who have their regular duties to perform as well as safeguarding Canada's interests in this connection.

This is a very important and complex problem. Some people may believe that we can preserve our interests in this regard simply by extending our territorial waters. This is of some advantage but it does not meet the problem by any means because fish are no respecters of boundaries. Many species migrate over wide areas of the ocean.

[Mr. MacLean (Queens).]

Those types of fish which spend their entire life cycle in the high seas are, of course, a truly common resource and there is the problem of sharing them reasonably between ourselves and other countries.

But the situation is much more complicated than that. Some of our most valuable species of fish are, of course, fish that spend part of their lives in our territorial waters and part in our national fresh waters. Certain rivers are reserved to a great extent in a state that will permit the generation of new stocks of the species which then spend most of their lives in the ocean. We have the problem of establishing our proprietary interest in those stocks of fish that exist because of special measures, some of which are quite expensive, which we as a nation have taken. With respect to the north Pacific fisheries treaty, I hope it will be possible for Canada to maintain the abstention principle in this connection.

As I have pointed out, although Canada's fishing industry has remained quite healthy other nations have expanded their fishing industries at a tremendous rate. Over the last 10 years the fishing industry of Japan has grown by about 77 per cent and that of the U.S.S.R. has more than doubled. Therefore we are in a very competitive field and I am pleased that the minister has noted the importance of developing new and more efficient methods of catching, processing and marketing fish.

In this connection he also noted the expansion in the building of new types of fishing vessels on both coasts. This stimulation of the shipbuilding industry is due in part to the subsidization of the industry and I am glad it is bearing fruit as it appears to be. As is generally known, this policy was instituted by the previous government.

This leads me to the point of stating that there are many facilities and services for the fishing industry which are supplied by other departments, but I will not discuss them at the present time except to mention that the Deparment of Public Works, the Department of Transport and the Department of Labour all have an interest in the fishing industry. Taxpayers' money is being spent through these other departments to some extent for the benefit of the fishing industry, so it is not fair to assume that the items appearing under the Department of Fisheries represent the only money that Canada is spending in the interests of the industry.

I mentioned in passing the fact that the extension of our territorial waters is of considerable interest to the fishing industry. I believe this will solve certain problems but it will not solve others. In this connection

the government has announced its intention to extend Canada's territorial waters to 12 miles within the year. I hope the minister will take under advisement the importance of strengthening our protective service so that we can properly police the additional areas of water. I know he will have an ardent ally in his colleague, the Secretary of State, when he tries to get additional sums approved by treasury board for this purpose. In this connection I think it is even more important that action be taken to make certain without any doubt that such bodies of water as the gulf of St. Lawrence, the bay of Fundy, Dixon entrance and Hecate strait are established to be Canadian national waters and our property.

There are many other important factors and situations which I should like to discuss for a little while tonight. However, as I said, it is not our intention to prolong the examination of these estimates unnecessarily. So, Mr. Chairman, I will leave any further remarks I might have until a later time when the individual items are called or, if the committee is in a co-operative mood and wishes to pass the estimates rapidly tonight, I would be quite content to leave any further remarks I might have on this important subject until the estimates for the next fiscal year are before the committee.

Mr. Howard: Mr. Chairman, I think the first thing I should do in a public way is extend congratulations to the minister upon his appointment to this cabinet position. I did that by way of correspondence on April 27 in a letter which contained a reference to other things. So far, I have not had a reply from the minister, so perhaps he should check back on his correspondence to see what happened to that letter and deal with the other matters in it.

I was interested in listening to the introductory remarks of the minister. They seemed to be composed mostly of a recitation of statistics and screenings from various departmental publications that had been issued over the years, especially this past year. When it came to an announcement of any definite policy that the fisheries department expected to promote, or what the government hoped to accomplish by its fisheries policy, we found the minister's speech just as barren as many of the fish-hooks of the fishermen when they pull them from the water. The only exception was a reference by the minister to a federal-provincial conference on fisheries matters which, if I understood him correctly, is to be held on January 20 next year. This is welcome news. I wish the Minister of Public Works would act with the same alacrity in promoting a federal-provincial conference on highways, and that the Prime Minister would take cognizance of the actions of the Minister of Fisheries and do what he said he was going to do about a federal-provincial conference on Indian affairs. In any event, I hope that out of this conference there does come something concrete, something worth while, something that could point the way for this government in the years ahead in so far as policy matters are concerned.

We in the New Democratic party have had an interest in fisheries for quite some length of time, both at the federal and provincial levels. Over the years we have made many proposals, some of which were ridiculed at the time they were made. Some of them now are in the process of being accepted. The minister referred to one such proposal, namely the breadth of our territorial seas. I am sure many members of this house, if they will look back a few years, will recall when I, on behalf of this party, introduced a bill to extend the territorial sea to 12 miles on a unilateral basis the proposal was ridiculed by members in all parts of the house. Now, the principle seems to be accepted, and this is precisely what we are attempting to do.

I would remind the minister that, in respect of the announcement to extend the territorial sea to 12 miles, there was a specific campaign promise by his party that the territorial sea would include Hecate strait on the west coast. I hope the minister and his colleague, the Secretary of State for External Affairs remember this promise when it comes time to actually make the pronouncement. I do not think we should look upon the 12 mile limit, as it is referred to, as the solution for all problems confronting the fishing industry in Canada. Certainly, it is not. It is a solution for some species of fish, bottom fish and the like, but not for all of them. We should never lose sight of this fact.

So far as we are concerned, I think we could enunciate some of the objectives, some of the goals which the department and the minister should have in mind. These should be clearly established as the guideposts for what we do in fisheries matters in the years ahead. The first one is to look upon fisheries resources as we do upon all renewable resources, from the point of view of conservation to ensure that future generations will have the opportunity to exploit this natural resource just as we do today. Second, we should promote the extensive exploitation of these resources within the bounds established by the conservation principle. In doing this, we should take cognizance of the fact that there is this tremendous population explosion, as it has been called. This increase in population automatically creates increased pressure

to find additional sources of food. This increased demand for food is automatically pressuring nations into searching the sea for the additional food that is required.

Recently the United Nations released some figures in respect of this, and perhaps I could refer to them very briefly. In the period from 1948 to 1960 the increase in the supply of meat was 19 per cent. During that same period, the increase in the world supply of fish, as distinct from meat, was close to 50 per cent. This indicates the tremendous increase in the world supply of fish within a 12-year period. It also indicates the tremendous increase in the catch and in the interest of other nations.

As the minister has just indicated, other countries are developing bigger fishing fleets, bigger boats, floating canneries, and so on. All of these things create increased pressure upon the fisheries resources that are available throughout the world. Different species of fish are influenced in different ways by this. Some of our species, for instance salmon and herring, migrate out to sea, while others stay close to the shore where we are able to protect them. Our salmon and herring, being migratory, are vulnerable to the increased activity and pressure on our fisheries by other nations. Perhaps one nation concerned is a nation involved in the north Pacific fisheries commission to which the minister referred.

I think what we must do, having in mind this increased pressure on the fisheries of the world, is to bend our efforts towards a concentration of activity on international agreements to ensure that the conservation measures we engage in at home are not destroyed by wanton fishing on the high seas by other nations, to ensure that throughout the world there is some sense of reasonableness in the exploitation of our fisheries. I should like to make some comments on the north Pacific fisheries treaty itself, and, specifically on the recommendation which the commission made about a year ago to the effect that Japan should be permitted to fish for herring off the west coast of the Queen Charlotte islands and the eastern Bering sea.

I think it is very regrettable that after all the discussion and the interest that brewed up over this particular question the Liberal party, by a sleight of hand process, agreed to those recommendations in the manner in which they did. The impression was at least left, if it was not specifically stated, that this subject matter and this question would be referred to the marine and fisheries committee so that a thorough investigation could be made into it before the recommendations were dealt with one way or the other. But on the eve of parliament meeting—about a week before—by a secret method, and not by an open, declared order in council, this government put into effect the recommendations of the commission of last fall and announced them by telephone, not by way of any formal communication. It is unfortunate that at the very moment the minister was in Vancouver meeting and discussing with delegations from the various sections of the fishing industry this vitally important question, in the back of his mind he was preparing the way to proceed in order to recommend the acceptance of these recommendations. We would like to have in these matters some above-the-table dealings, some confidence in the government in this regard, so that the people of this nation and especially this parliament know just what is taking place. Specifically we would like to know about the north Pacific fisheries negotiations and what steps are being taken to deal with other nations of the world in agreements relating to the fisheries of the world.

One of the specific campaign promises of the Liberal party—another one—was that the Soviet union would definitely be brought into the north Pacific treaty. We know that the Soviet union contributes to the fishery stocks of the north Pacific; we know that she has a high seas fishing fleet; we know that she ranges a long way over to this side of the Pacific ocean in her fisheries and research work. There is nothing whatever to stop the Soviet union cruising in to within three miles of our shore, as it is now, or 12 miles when the 12 mile limit is established—it does not really matter which it is—and lying in wait for salmon which are waiting in our waters to come home to spawn, scooping them up and leaving nothing for future generations. The only thing that deters Japan, for instance, engaging in this sort of activity is, as the minister stated, the north Pacific fisheries treaty. The Liberal party realized this during an election campaign period, made a specific promise about it, and so far we have not heard a single, solitary word about what steps this government is taking to put into effect what was a reasonable, legitimate and sensible campaign promise.

We inquired of the minister about it earlier this session. His answer at that time was generally to the effect that maybe this matter was being discussed in Washington, and perhaps he should not say any more about it until those meetings were concluded. We would like to know, the people of Canada would like to know, and I am sure the people of the world would like to know what is taking place with respect to getting the Soviet union into the north Pacific fisheries treaty; because if we do not, you can bet your bottom dollar that the Soviet union, because of the pressure from people demanding food in that

country, will be looking for further sources of food supply from the sea and will automatically look for salmon which is not of their own origination, in order that their salmon can come back home again and spawn for the years to come.

I do not understand why the Soviet union will perhaps not enter into an agreement such as the north Pacific fisheries treaty, if they were approached on this subject and asked about it as long ago as 1957 or 1958. I am given to understand that Japan and the Soviet union have had a convention relating to the salmon fisheries of the Asian area, and there is no reason why the Soviet union would not be interested in engaging in a similar sort of treaty in which we and the United States were involved. We would like to have a very clear indication from the minister as to whether the campaign promises which his party made in the election campaign really mean anything now. We ask him what he is doing, has been doing or intends to do about seeing them put into effect.

A vitally important field, I think, is leading or getting this government to point itself in the direction of international agreements and high seas conservation measures, to ensure that future generations have fish for their children as we desire to have this food for ours. When it comes to matters that concern us more directly in a national or domestic way, I think we all realize that the east and west coast fisheries differ; that there are different species of fish on these coasts; that there are different methods of catching them, and there are different economics, and so on, involved as between the east and west coasts. Since 1957 we have had, at least from the practicalities of administration point of view, an orientation toward the east coast. The hon. member from Queens, when he was a member of the Conservative cabinet, was the minister of fisheries. He is, of course, from the east coast, as is the present Minister of Fisheries. Without casting any reflection upon the ideas or attitudes of ministers, it is an automatic fact of politics that one's hometown induces the greatest pressure to do things, as distinct from communities which are further away.

If we look at this year's estimates, for instance, just as one example, without going into the details in a way contrary to the rules, we see that vote 155, which involves a very important field, namely educational work in fisheries techniques and co-operative producing and selling among fishermen, concerns a total amount of $120,000, with the east coast fisheries receiving ten times that of the west coast. I am not saying they should not, because this is a vitally important contribution; but it does show that there is heavier emphasis, even in that one vote, given to the east coast than there is to the west. I am not saying this is wrong in so far as the east coast is concerned.

We find that the Fisheries Prices Support Act has its greatest, if not exclusive, application to east coast fishermen and is practically unused on the west coast. The Newfoundland bait service is, again, directly connected to the east coast fisheries, and salt fish assistance and the like. Perhaps the only act under which the west coast fisheries might have some advantage is the Cold Storage Act, which allows for subsidies to be given for the building of cold storages. Unfortunately this is not under the Department of Fisheries; it is in the hands of the Minister of Agriculture, which is an extremely sad state of affairs not only for fishermen but for agriculturists as well. In addition to that, subsidies under this act have been suspended, so what advantage fishermen on the west coast might have had in receiving cold storage subsidies has gone, because there is no more to be obtained under that act.

On the order paper there is a resolution to appoint two ministers of agriculture, one for the east and one for the west. I understand that one of the ministers has already appointed himself to this particular position and is merely waiting for the formality of the measure going through parliament, if it gets that far. But if it is sensible or reasonable, and this government thinks it is a correct thing, to have a minister of agriculture for the east and one for the west, it is even more important to have two ministers of fisheries, one for the east and one for the west, so that west coast fisheries can receive the fullest possible consideration from the federal government.

We would like to make some specific suggestions to the minister and his department. These suggestions are at this stage along rather broad lines, because they involve what we consider to be questions of policy connected with the principles we enunciated earlier, namely those of conservation, exploitation and a recognition of the growing population of the world and the importance of fishery products as a source of protein.

We think that the research attitudes in the Department of Fisheries should find their way into the levels of discussion on policy. In this regard, without any reflection upon the individuals concerned, we find that the present deputy minister, Dr. Needler, a scientist in the field of fisheries, is likely to bring into the policy level of the department the attitude, concept and ideas of a research scientist.

This contrasts somewhat with the attitude which existed previously when the late Mr. Clark was the deputy minister.

This is no reflection whatsoever upon Mr. Clark. He was a very able, competent, personable gentleman in this field and he administered the department very effectively; but Mr. Clark was a practical man from the industrial side of fisheries. He was an administrator, not a scientist; and now we hope that the attitudes, opinions and research ideas of the people in the department will have some bearing on what is decided upon from a policy point of view, because research is essential to develop not only the fisheries of Canada but those of other countries.

We may have to pump extensive amounts of money into the research side of the department's activities. We should no longer look upon the fisheries research board—a wonderful organization—as being just an organization that exists and carries on from day to day. We think it should be more adequately financed, and that more direction and freedom should be given it in order to find ways and methods of increasing the catch, processing, and consumption of fishery products. If I may in passing, I would like to make reference to Dr. Kask, who left the chairmanship of the fisheries research board early this year. I am sure the minister and his predecessors in the department found Dr. Kask and his associates invaluable in the work which they did.

There is an interesting sidelight to the activities of the fisheries research board, and that is that throughout the year it produces a number of publications and documents based upon the research studies which it conducts. It is interesting to realize just who reads these publications and documents the most aptly, and who accepts them as guideposts in fishing. It is a well known fact that fishing skippers and captains of the Soviet union fishing fleet look upon the research department's publications as their bible in exploiting our fisheries on the high seas. It is unfortunate that our own fisheries people do not do the same thing, and that our fishing industry does not follow the activities of the board with such fervour.

The minister mentioned the development of fish flour for human consumption. I think much greater activity must be devoted to this field, to process fishery products which are not presently edible because they are not exotic enough, and to process what is now more or less considered to be waste from fish plants. These should be processed into protein concentrates for human consumption. The board should also be concerning itself with the possibility of the plant life of the oceans being processed for human consumption, because it is also a source of food.

We should look ahead to the time when the world's production and consumption of fish will be perhaps two or three times what it is now, ranging upwards of 100 million tons a year, something which we could not conceive of some ten or 12 years ago. The policy of the department and the government must be directed towards preparing for this, through early planning of our investment in fisheries, in catching fish, processing them and distributing them to the point where we will remain a prominent power in world fisheries in years to come. We are that at present, but we will not be in the future if we keep fumbling along on a day to day or year to year basis.

We should also be promoting extensive use of artificial or man made hatcheries for fish because, even though we may not like it, I think in time to come we will see a greater multiple use of lakes, rivers and waters, and we will find that pesticides, insecticides, sewage and pollution coming from industries, cities and towns will increase as time goes on and will take their toll of the natural spawning grounds in lakes and other waters.

In this regard I was very pleased to note that the minister, the deputy minister and a couple of other officials—Dr. Pritchard for one comes to mind—appeared before the committee on food and drugs just the other day, and dealt with the question of the effect of insecticides and pesticides on marine life and fisheries. Unfortunately I do not think that committee, because of the complexity of the subject before it, will be able to come up with any scientific, technical and worth-while recommendations in this particular field.

If I may digress for a moment, this is one committee, perhaps more than any other standing or special committee of the house, that should have an extensive research staff provided for it, so that it can deal with the various bits of scientific and technical information presented to it, analyse that information and then, when it makes recommendations, it will know what it is doing. Without that, a great deal of the activity of the committee will be a waste of time.

As I said earlier, we must get into the field of expansion in our relations with other countries concerning international fishery conventions. We must also think in terms of the promotion of fishery colleges and enticement of more people into scientific research in those fields which relate to the ocean and to the plant and animal life therein. If we do these things, if the minister keeps them in mind from a long range and short range policy point of view, and if he takes steps to implement them, we will continue to be one of the leading fishery nations of the world.

In closing I would like to make one comment in the nature of a commendation. As I know them, and as they are known by people in the fishing industry, the officials, scientists and officers on the staff of the Department of Fisheries are respected and admired. They are doing a tremendous job. We would like to see them get on with it, and be provided with the money and policy directions that will enable them to continue to do a remarkable job.

Mr. Patterson: Mr. Chairman, following the example of those who have preceded me in this debate, I intend to be relatively brief in my remarks. This is not because the Department of Fisheries or the fishery industry is of small concern or of little value to our nation. The contrary is true; but unfortunately I am afraid many people across the country are not aware of the true value of the industry, not only to the hundreds who are directly involved in it but also to the provinces in which fish resources are found, and to the national economy.

The suggestion has been made by the hon. member for Skeena that it might be advisable to have two ministers of fisheries, one for the east and one for the west, and to bolster his argument he referred to the proposal to have two ministers of agriculture. Personally I am not convinced that it is wise policy in either department, because once we set the precedent we may find that we end up with two cabinets, with ministers of this and that, and another group for east and west, until instead of having about 20 ministers, as we have now, we have 40. I do not think this would be too good for the country. Possibly we are in too great a danger of fragmentation as it is. I have always taken the position that as far as national policy is concerned it should be a national policy, and if any adaptations are necessary with regard to specific areas they can be worked out. I believe policy should be evolved which will apply as far as possible right across the nation. I do not think it is necessary to have two ministers if the minister would just become aware that Canada is Canada from coast to coast and that his sights do not just rest on the one side but also are set on the other. I am inclined to think the minister could improve his position substantially if a little closer attention were given to problems on the west coast and to the representation of the fishermen on the west coast.

We appreciate the announcement tonight that the minister is proceeding to set up a dominion-provincial conference on fisheries. This was forecast in the speech from the throne; we indicated at that time our pleasure at the announcement and that we were looking forward to the setting up of that conference. We are now pleased to hear it is scheduled for the month of January. Here again, I believe it is a matter of co-operation between the federal and provincial administrations. Perhaps we should remind ourselves of the importance of a department which would take care of many of these things having to do with dominion-provincial relations. We trust that from the conference which is held policies will be evolved and programs will be developed to the advantage of the fishing industry in every part of Canada.

There is one strenuous objection I feel I must make in connection with the lack of meetings of the committee on marine and fisheries. There was a discussion on orders of the day in connection with the committee on agriculture; it was pointed out that the committee has not yet started its work for this session. In defence of government laxity in this matter it was indicated that there had not been a meeting since a year ago last summer, some 12 months or more. I do not think that is any standard for drawing comparisons, but as far as the committee on marine and fisheries is concerned it has not sat at all this session; and it has not been made use of to its fullest possible extent for some time.

On a number of occasions the united fishermen and allied workers union of British Columbia has made recommendations and suggested that meetings of the marine and fisheries committee be held at which full discussion could be had of various problems. I do not know why the minister did not see to it that this committee was set up and put into operation. I do not know why these requests were turned aside. But the fact remains that the fishermen of the west coast have been unable to meet with the marine and fisheries committee to present their views and put before this parliament their recommendations as far as the fishing industry is concerned. I suggest, as I suggested before, that if the Minister of Fisheries wants to prove to the fishermen on the west coast that he is interested in and concerned about them, he will have to give more attention to the recommendations and requests which come from the fisheries unions on the west coast.

Many discussions have been held with respect to the north Pacific fisheries treaty. It was pointed out by the previous speaker that this has caused considerable concern, especially to fishermen in British Columbia. They are very interested in the program of conservation, but I do not think they are interested in any program which is going to deplete the resources and bring them to a

position of diminishing return. They are just as interested or perhaps more interested in the continuity of this industry than many others across the country, and they are not going to go out on a limb and advocate policies which are going to work against the continuation of this industry. They would be very foolish to do so, and I do not think they can be branded with that charge.

However, they are very concerned about the programs of conservation which have been carried on, and some of the actions which have been based upon this principle. In this connection we think of the renegotiations of the treaty which are going on or have been going on in Tokyo and which will be continued later on. The fishermen's unions have made representations on this behalf and they are very concerned, first of all with the fact that the recommendations of the commission were accepted and put into operation, apparently without their having an opportunity to voice their strong opposition to the situation, and second, because it opened the door for further demands on the part of Japan for additional concessions. Their fear is that bit by bit, piece by piece, the rights of the Canadian fishermen and the interests of the Canadian industry will be sacrificed and they will end up with nothing at all. That is why they are so opposed to some of the actions of the minister and his department in this connection.

I was going to refer to the leaflet put out by the united fishermen and allied workers union under date January 25, 1963, but this goes into detail on a number of very important aspects of the fishing industry and also deals with the north Pacific treaty and the insistence of the Japanese that the abstention principle be deleted from the treaty. They have, of course, voiced their strong objection to anything along this line. Recently, in answer to questions, the minister made a statement, on motions I believe, dealing with the negotiations which were carried on in Tokyo. He assured us that the Canadian delegation was standing firm as far as the principle of abstention was concerned. He thought there might be a different way of expressing it. I pointed out at that time that we are not too concerned perhaps with the way it is expressed, but we are certainly concerned that the abstention principle should be incorporated in the treaty in the course of these renegotiations.

Also with regard to conservation I should like to refer to the closure regulations as they affect the Fraser river and other areas of British Columbia. The minister is aware that just at the time he was leaving for Tokyo a meeting was held by the fishermen in Steveston. There were several hundred fishermen gathered there to make representations in connection with the north Pacific treaty, and they also met in a special way to deal with the closures imposed on the Fraser river, which was one of the main concerns at that time. There was a feeling that the method by which the closures were implemented was most unfair. Let me say again that they were not opposing the principle of conservation. They recognize that it is essential to the welfare of the whole industry. But the fishermen of the Fraser river, especially, felt they were being discriminated against because, for them, they faced what amounted to a total closure of the river. It is true it was opened up one day a week but I think there were some weeks when no fishing at all was allowed. Meanwhile, those who fished off the coast enjoyed almost unlimited freedom; they were allowed to fish several days a week.

The fishermen of the Fraser valley had a legitimate complaint. They were almost completely barred from engaging in fishing in their own areas. They were not equipped to fish off the coast; their boats and gear would not permit them to go so far. So here were men who depended on fishing for a living, yet could not take advantage of the fishing in the Fraser river basin for themselves and their families. A serious endeavour should be made to see that fishermen in every area have an opportunity to share in the resources to the conservation of which they have contributed. It may be that the conference which is to be held will lead to the solution of some of these problems. Perhaps it will lead to better relations between the fishermen, the industry in general and the government at various levels. As I say, I believe this is one of the important resources of the nation and one which makes a substantial contribution to the economic welfare, not only of those directly concerned but of Canada from coast to coast.

[*Translation*]

Mr. Cyr: Mr. Chairman, I feel bound to express in this house the views of the inshore fishermen of the Gaspe peninsula and to deal with two matters pertaining to fisheries. First of all, the establishment of fishing limits for trawlers, as well as international limits, and then, the report of the committee of inquiry on the Unemployment Insurance Act, and the recommendations of the same committee with regard to fisheries.

Mr. Chairman, in the last few years, the inshore fishermen of the gulf of St. Lawrence and of part of the Baie des Chaleurs have been at war with trawlers which, apart from plundering the inshore fishing territories usually reserved to fishermen who go in for fishing on a small scale, damage fishing

tackle and are guilty of offences that are termed as acts of piracy in some places.

Mr. Chairman, most commercial fishermen of the Gaspe peninsula, namely about 85 per cent, are inshore fishermen who operate in a strip, a few miles wide, along the coast of the Gaspe peninsula. Their fishing trips last only a day; they start very early in the morning and come back around noon. In addition, their fishing season lasts only six months a year, and it is also necessary to take into account the days lost as a result of bad weather.

The main species of fish taken is the ground fish, among which cod is the most common. And there seems to exist in my constituency a long term trend towards decrease in the fishing volume and in the number of fishermen.

But this year, at least at the beginning of the season, the number of small fishermen increased in the Gaspe peninsula, because of a certain stagnation in the field of employment.

Unfortunately, so far, the quantities of landed cod have been 20 per cent smaller than last year, a factor which certainly will not encourage newcomers to become full time fishermen.

Even if we take into account the natural fluctuations which cause the catches to vary, we still have to admit that in that area the fish stock diminishes, and that the size of the fish seems to be shrinking.

We are confronted with unmistakable signs of over-exploitation of stocks, and the culprits are not exclusively the 60 to 65 feet long trawlers which operate along the Quebec coast, or in the maritime provinces, and more particularly in New Brunswick.

It seems that foreign boats operating inside the gulf of St. Lawrence have a direct influence. Figures have been mentioned in respect to the catch of those foreign boats, and they were about 100 million pounds per year. It is impossible to get more details on that matter, indeed it is rather difficult to compile accurate data, since those boats from various countries do not submit reports on their activities.

As I said, Mr. Chairman, in the gulf of St. Lawrence only, foreign boats took over 100 million pounds of cod, according to a report published by the d.b.s. Now, in 1962, the cod catch in eastern Canada, including Newfoundland, Nova Scotia, Quebec, New Brunswick and Prince Edward Island, amounted to 585,643,000 pounds. And in the Gaspe area only, in the gulf of St. Lawrence, foreign boats have caught a hundred million pounds of cod a year.

In view of this situation, I am of the opinion that it is urgent that the 12-mile limit be put into effect; this should close completely the gulf of St. Lawrence to foreign boats.

Moreover, we must consider that the fish population of the gulf of St. Lawrence is the same as in the northwest Atlantic, on the banks of Newfoundland, on the banks of Nova Scotia and on the north coast as far as Greenland.

Let us come back to the gulf of St. Lawrence and the Chaleur bay, where stocks of fish have been replenished. Coastal fishing should be extended to other areas, and I wish to mention now as an example the island of Anticosti for the fishermen of the north coast of the Gaspe peninsula. If coastal fishing was thus extended, more intensive research should be done in order to vary fishing techniques and design suitable boats, such as trawlers.

We should aim for diversified ways of catching fish and try to add new techniques to the existing ones. It would be necessary also to step up research to find out the extent of our resources; there are ways to catch other kinds of fish besides ground fish like cod. In the area of Anticosti island—I will use it again as an example; it is a high point because of the possibilities it offers—there are banks of shrimp, lobster, scallops, crab and other fish like halibut, which have another commercial value and are far from being used in full.

To round up the research work that needs to be done, it would also be advisable to have the research board draw up fishing maps giving indications on the nature of the fish banks, on the movement of water caused by tides or currents, which would determine the fishing conditions in the area.

Mr. Chairman, I am coming to the reason for those explanations. Those maps will have to show also the areas reserved for inshore fishing.

I understand the situation with regard to the federal jurisdiction on fisheries, and that of Quebec as well as of New Brunswick as regards those interprovincial limits is somewhat confused, but the Minister of Fisheries said last summer, in the Magdalen islands, that an investigation is being carried out with the help of experts from Ottawa, Quebec and Fredericton, and personally, I hope that a settlement will be reached in the spring of 1964 so that a strip of a few miles may be reserved for inshore fishermen or private fishing on a small scale.

I even suggest—I admit that would be something new—that a license or permit costing $1 or $2 be required from fishermen so that they might enjoy some privileges and be obliged to follow some regulations.

The road map that the fisherman will receive with his licence would serve as a guide to him. In my opinion, that coastguard squad should be increased and should see that the regulations are enforced in those fishing areas reserved for small fishermen. The fisherman who would violate the regulations might lose his permit for a period set by the law.

Finally, it seems important to recommend assistance plans for the construction of fishing boats now in effect. That assistance should be extended in order to include fishing boats 35 feet long instead of 45 feet.

That sector of coastal fishing will grow more important and will certainly be self-supporting, because on the basis I have already mentioned, with a somewhat larger territory, with a wider variety of fishing techniques, fishermen will be able to depend on various kinds of fish instead of limiting themselves to cod.

In that way, the fishermen could secure a much higher income and depend for their livelihood on fishing alone, without resorting to social welfare benefits.

Before resuming my seat, Mr. Chairman, I would like to direct a question to the Minister of Fisheries, a question which is inspired by the numerous requests of the fishermen of my constituency.

Those people feel that unemployment insurance benefits coming to them next winter will be nothing but peanuts, because the landings of fish have been 20 per cent smaller than the previous year. One can only too easily understand their worries. Actually, I know families with eight, nine or ten children, who will collect no more than $20 a week, because their contributions have been smaller than last year.

We have to admit that the fishing industry is riddled with serious problems. Quite a number of fishermen suffer from chronic unemployment, and are incapable of maintaining, without outside help, a decent standard of living.

In the report of the inquiry commission on the Unemployment Insurance Act, the commissioners recommended the following:

> That a separate plan be established for the benefit of independent fishermen and that such a plan be more consistent with their situation and their requirements than the general unemployment insurance plan could be, and that the Department of Fisheries be vested with the responsibility of administering that plan.

In conclusion, I wish to put a question to the Minister of Fisheries. Did the officials of the Department of Labour ever meet with those of the Department of Fisheries in connection with that recommendation of the commissioners?

[Mr. Cyr.]

[*Text*]

Mr. Crouse: Mr. Chairman, I listened with interest to the statement made by the Minister of Fisheries and as the representative of Queens-Lunenburg, a riding in which is located the largest deep sea fishing fleet in North America, I wish to comment briefly on some of the problems relating to the fishing industry. I should first like to congratulate the minister on his appointment to his portfolio. I know that his experience in the house and his prior experience in the fishing industry will serve him well in carrying out his present responsibilities. I also know that as a maritimer he will give careful consideration to all problems pertaining to the fishing industry and especially those pertaining to the Atlantic provinces.

Canada is today the seventh largest fishing nation in the world and the fifth largest trading nation, possessing the world's longest coast line. A few years ago we knew very little about our continental shelf, but as the world's population continues to grow we shall have to look to the sea for increasingly larger amounts of edible protein.

At the present time the fishing industry is in some ways at the stage at which primitive man was many centuries ago. We hunt the fish that nature provides, just as our ancestors hunted animals for food. We have not yet begun to herd fish or improve their quality, but I believe that one day in the not too distant future we shall be forced to farm the sea as we do the land. In order to do this we shall have to give increased emphasis to our oceanographic research. We shall have to study the organic matter dissolved in sea water which activates the whole growth process. After all, on land the strain of cattle has been improved by careful breeding and at the same time the productivity of the soil has been increased by weeding and by fertilizing. It is almost certain that a similar approach to the sea will enable us to harvest a much larger crop of fish, instead of worrying as we do now about protecting our fishing rights from the depredations of fleets from other nations.

We should be able to produce plenty of edible seafood for everybody, if we discover and apply good methods of sea husbandry. A start has already been made along these lines. It was made by the previous administration under the leadership of the former prime minister. An oceanographic institute, the first of its kind in Canada, was opened last year at Bedford basin near Halifax. While this institute was opened under the auspices of the Department of Mines and Technical Surveys, still it has a branch for the fisheries department. As a result our

marine laboratories are expanding. Graduate students are being trained in all aspects of oceanography. New research ships are carrying out scientific investigations along our coasts. We can, therefore, expect rapid development in the next few years. We are not alone in this work, for all major maritime nations are now taking part. Throughout the world roughly 50 research ships are constantly at sea carrying approximately 600 technicians and trained people.

Through this increase in scientific effort we hope to plug a big gap in our knowledge concerning the earth on which we live, and we hope to learn more about the habits of the fish, which are part of the food resources which automatically renew themselves. In its natural state, acre for acre, the sea is producing as much as the land; yet man is only taking about 1 per cent of his present food requirements from the ocean. When we come to farm the ocean we can expect it to produce a much greater quantity of desirable food, just as scientific farming on the land has improved the production of grain and vegetables. Through the proper management of the ocean, we can greatly increase our well-being on the land, but this will have to be done by international agreement. Some countries have already made a start along these lines. Japan is trying out salt pond farms in the inland sea, where yellowtail are raised and dumped into the adjacent sea when grown. England is farming plaice somewhat in the same manner as trout rivers are restocked, and we are raising oysters in Prince Edward Island to help re-establish that industry. I must give due credit for this to the officials of the department, some of whom are present with us tonight.

In my opinion, research along these lines should be expanded. We are not doing enough to restock our rivers and our lakes with trout and with salmon, especially in the Atlantic region and in my own province of Nova Scotia. If further developments were carried out along these lines, these fish would not only provide a valuable source of food but they would also encourage tourists to visit Canada in greater numbers, thereby bringing greater economic benefits to everyone. I would, therefore, urge upon the minister to give consideration to the scientific development of our fisheries when he sits down to review plans for next year's estimates.

I know this government and the present minister are greatly concerned over conservation. I listened with interest on June 4 when the Prime Minister made a statement to the house on the law of the sea and his plans to unilaterally establish a 12-mile exclusive fisheries zone along the whole of the Canadian coastline somewhere about mid-May, 1964. This action, of course, will be beneficial to our inshore fishermen, but it will not materially affect the landings of our deep sea fleet. It will create problems with France and the United States, both of whom have treaty rights in some of the areas affected. It will also create problems with Portugal, a country which has a traditional fishing right on our coast. It is regrettable that this action had to be taken unilaterally. Although it will provide exclusive fishing zones for our inshore fishermen, it does nothing about our major problem which is the conservation of our fisheries resources on our offshore banks. As a result of our Conservative shipbuilding program, there has been a boom in the construction of large deep sea fishing trawlers in Nova Scotia. In fact, in 1962 a total of 98 ships of various sizes were constructed in that province alone. The fishermen manning these ships are now in a position to make larger catches of fish and to have greater earnings without endangering their lives.

As an example of this, I should like to put on the record figures provided by the dominion bureau of statistics. The cumulative fish landings in the maritimes during the first nine months of 1963 amounted to 556.6 million pounds valued at $38.4 million. Figures for the similar period during 1962 were 542.1 million pounds valued at $34.6 million, and during 1961, 515.6 million pounds valued at $30 million. In other words, in the first nine months of 1963 the income of all our east coast fishermen increased by $8.4 million when compared with their income in the first nine months of 1961. I submit some credit for this increased earning must go to the former administration, which so wisely assisted in a program for the building of larger fishing trawlers.

This increased fishing activity on our offshore banks is creating other problems. We do not have a cold war on our east coast today, we are having a fish war. The greatest problem facing Canada's fishing industry at present on our east coast is the over-concentration of ships from all nations on our offshore banks. One of the peculiarities of the fishing industry is that it functions in an area that is international in character. This was commented upon by the former minister of fisheries. The means of production, the sea, is not private property. Apart from territorial waters, it is not subject to the law of any state. For this reason, many fisheries problems have to be dealt with internationally because unilateral measures generally have far reaching consequences for the industry in other

nations. It was for this reason I stated that it is regrettable unilateral action is to be taken on the 12-mile fishing zone.

The minister, in his statement, said that the 12-mile limit was imposed as a conservation measure for sustained yield in the fisheries of our country. However, our fish do not spawn within 12 miles of our shores. Our main breeding grounds are Georges and Browns banks, Sable island bank, Banquerau, St. Pierre bank, Bradelle bank and Grand bank, to name a few. None of these areas come within the 12-mile limit; yet it is here that conservation measures should be carried out. This, I submit, can only be done by international agreement. At the present time, the fishing fleets of 13 nations, including Canada, all members of the international commission for the northwest Atlantic fisheries, are operating on our east coast banks. The greatest increase in the number of fishing trawlers in recent years has been in the Russian fleet and it is estimated that over 150 large Russian trawlers operate on a year round basis on Georges bank and the Grand bank off Newfoundland. These large trawlers often snag nets of Canadian ships or ram smaller boats in the fog. However, the chief cause for concern is the fact that the Russians, as members of the international commission for the northwest Atlantic fisheries, signed and approved an agreement on a minimum mesh size but apparently have disregarded this agreement.

For example, I read from an article in the Halifax *Chronicle-Herald* which is headed, "Reds Using Illegal Fish Nets". It reads in part as follows:

> The president of the Atlantic fishermen's union reported Wednesday what he described as the first solid evidence that Russian fishermen off New England are using nets ruled illegal under the international convention for the northwest Atlantic fisheries.
>
> The president, Capt. James Ackert, said he is filing protests with the convention in Halifax and with the U.S. state department.
>
> He displayed what he said was fishing gear made in the Soviet union, brought to the Boston fish pier by the American trawler *Massachusetts* which found it in the Georges bank fishing grounds, off Newfoundland. He said it consists of netting of less than half an inch mesh used as an interliner in an approximate four inch mesh net.
>
> "Even a sardine couldn't get through this mesh," Capt. Ackert said.
>
> International conventions limiting the mesh size of nets under certain conditions are designed to conserve the supply of fish.

Later, on Friday, August 23, the Halifax *Chronicle-Herald* carried this article:

> A spokesman for the international commission for the northwest Atlantic fisheries said yesterday a Russian made net with one half inch mesh found by United States trawler on Georges bank, southwest of Nova Scotia, may have been legally used for catching herring.
>
> The ICNAF spokesman here said Georges bank is in a division of the northwest Atlantic designated sub area 5 where the minimum net mesh size for cod and haddock is 4½ inches. He said there was no minimum size limit on nets used to catch herring.
>
> "The Russians fish for herring on Georges bank", he said, and added that it was possible the net taken to Boston had been used for this purpose.

[Mr. Crouse.]

Mr. Chairman, in a situation of this kind it is difficult to say whether the Russians were fishing for herring or ground fish. We do know the Russians have a different motive for fishing than Canadians. They fish for food, while Canadians fish for profit. The Russian ships are equipped with modern machinery and their fleets roam far from their homeland in search of a good catch. They lead the world in oceanographic studies and research. In view of the progress they have made they should be well aware of the need to practice conservation methods, even on the high seas. If the Russians on Georges bank were fishing for herring rather than ground fish such as haddock and cod, they must also realize that the small mesh net being used destroys the little herring. Herring are the natural food of many ground fish, and when they disappear all other species become scarce.

Conferences on these problems have been called, but for one reason or another they have broken down in a stalemate without many of our conservation problems being solved. There have been three international conferences on the law of the sea and international fishing limits since 1930, but each time there was disagreement on the territorial limits to be established. As a result, Mexico claims nine miles, Chili, Peru and Ecuador 200 miles, and Ireland and Canada 12 miles. This causes international feuding, because more and more the ocean is recognized as an important source of food for a world faced with the prospect of overpopulation. In my opinion multilateral agreement among the fishing nations of the world for deep sea fisheries conservation will help guarantee this continuing source of protein. I would urge the minister and the government to give some consideration to convening another international conference so that conservation may be further discussed by all interested nations.

I was pleased to hear the minister's announcement that a federal-provincial conference on fisheries will be called on January 20, 1964, and at this conference all aspects of problems pertaining to the fishing industry will be discussed. I believe that at this conference priority should be given to calling an international conference, and I suggest to the minister that this is something he should discuss with the provincial ministers with

whom he will be meeting at that time. I say this especially in view of the fact that the European common market is contemplating setting up a base in the French possession of St. Pierre and Miquelon, and the Japanese are considering establishing a base in Newfoundland. If and when these countries follow through with their plans, the present overfishing will be further intensified, and I cannot stress too strongly the necessity for further international consultation on our deep sea fisheries conservation problem.

Mr. Carter: Mr. Chairman, as 75 per cent, or more, of my constituents are fishermen I should like to make a few remarks on the estimates of this department. But before I continue I should like to extend my compliments to the Minister of Fisheries on the first presentation of his estimates in this house.

Some hon. Members: Hear, hear.

Mr. Churchill: Do you want them to pass tonight?

Mr. Monteith: No, they don't.

Mr. Carter: I should also like to pay my tribute to the former deputy minister, Mr. George Clark, who was a great personal friend of all of us, certainly of all of us from my province. With his death Canada suffered a great loss, as did also the fishing industry of Canada. At the same time, Mr. Chairman, I should like to extend my good wishes to his successor.

Fishing is the oldest primary industry in Canada and is one of the most important of our primary industries. Yet I think it can be said without contradiction that it is the most neglected of all our primary industries. Canada is fortunate in having a great, natural, self-perpetuating resource right on our doorstep. But we are 20 years behind the times in exploiting it. Other speakers have already pointed out that others come from countries thousands of miles across the ocean and make a better job of exploiting our fisheries than we do ourselves.

The minister spoke of a federal-provincial conference which is to be held on January 20, 1964. Personally I think it is unfortunate that this conference has been delayed so long. From my own point of view, Mr. Chairman, I am not too optimistic that this federal-provincial conference can produce anything that is going to be of any worth-while benefit to our fishermen next year. I think it would have been better and we would have obtained quicker results if the national conference could have been preceded by a series of regional conferences, because as I see it the east coast fisheries and the west coast fisheries are just as different as are eastern agriculture and western agriculture. They have very little in common; and the inland fisheries are different still. We have a national program of fish inspection and we could probably have a national marketing program for fish, as we have for wheat. But our main problems on the east coast have to do with production and processing. That is why I think it would have been more beneficial if regional conferences could have been held before coming together at a national conference, to work out a national policy.

The minister spoke of improvements in technology, more mechanization, more automation and a greater use of electronic equipment. But in spite of this our fishing industry on the east coast is a sick industry. While I find it easy to agree with most of the things said by my hon. friend from Queens, I must disagree with one statement he made this evening when, if I heard him correctly, he complimented the minister and said this would be the finest set of estimates that he would be presenting. I disagree with this, because when I look at the estimates and see that they are $1 million less this year than they were last year, in the face of the depressed condition of our industry and the need for rehabilitation, I find this decrease most disconcerting.

A national policy should not be too difficult to work out because we have already developed a national policy of assistance to the farmers. What we want is an adaptation of that policy to the fishery. There is a great similarity between the needs of the fisherman and the needs of the farmer.

The fisherman's needs are quite simple. In the first place, the fisherman wants a better price for his fish. In this connection we must recognize that in the maritime provinces a great deal of money has been spent by the provincial governments on the fishing industry, but in spite of this expenditure the fisherman is little better off today. The money that is spent does not seem to benefit him. The prices which our fishermen in Newfoundland get are sometimes 50 per cent lower—certainly 25 per cent or 30 per cent lower—than fishermen on the mainland get for the same size and type of fish, and that difference cannot be explained fully in terms of geography.

The fishermen in Newfoundland who were lucky enough to get a decent catch this year are getting a fair price, but that is not attributable to any policy of the federal or provincial governments. I say those fishermen "who were lucky enough to get a decent catch", because in many places there was a catch failure. This fair price is due to catch failures in European countries, especially Scandinavia, and in Iceland. These countries

produce a lot of salt fish, and in consequence of this failure the demand for salt fish this year is greater than the supply, and the price for it has gone up almost to the highest levels in our history. Further, the fact that salt fish is getting a high price has kept up the price of fresh fish.

From time to time there is strong advocacy of the idea that we should forget about the salt fish industry in Newfoundland, and indeed throughout North America. But it will be a sorry day for our fishermen if that industry disappears because there is no real competition, at least in my riding and I think in the whole province, between the various fish plants for fresh fish. The real competition is between salt fish and fresh fish, and so long as the Newfoundland fisherman has a choice of either selling his fish fresh or salt he will have a measure of protection. However, if we let the salt fish industry disappear, that protection disappears with it, and then God help the fishermen.

The salt fish industry is mainly a phase of the inshore fishery, and in this connection my hon. friend from Queens-Lunenburg had a lot to say about conservation. I agree with a great deal of what he said, because if we do not conserve the offshore fishery on the Grand banks the time will come when there will be no inshore fishery. The hon. member pointed out the difficulty of getting different countries to agree to obey the rules, and he cited the case of a Russian trawler which had a large net with a small mesh lining inside it.

The whole process of catching fish with draggers is wasteful. It is not only the Russians who do it; we do it ourselves. I have heard of cases, and have personally seen some, where fishing ships have steamed for miles and miles through young fish floating on the surface of the water. These fish were brought up in the dragnets, and the pressure of water killed them. When they were hauled up they were thrown overboard because they were not big enough to be of any commercial value. If we are going to tackle this problem of conservation we must tackle the problem of the draggers.

The fisherman's second need is credit, or money, some form of financial assistance through loans, grants and bounties, to enable him to catch more fish, to do that more easily, and with less hardship and danger. There is not much use in setting up a loan board and saying to a fisherman, "We will give you 80 per cent or 90 per cent of the money you require," because the fisherman who is down, who needs this kind of assistance, has not even 1 per cent of the money he needs. The fisherman must have easier credit and access to cheap money. He wants to get better boats, better gear and better engines so that he can operate at less cost, and to do that he must have some form of financial assistance.

The hon. member for Queens set us a very good example tonight. He promised, and carried out his promise, to keep his remarks brief. I intend to do the same. For that purpose I have spoken in general terms. I could talk for hours on the individual problems of the various phases of the fishery in my province, but following the example of the hon. member for Queens I shall leave that until we come to deal with next year's estimates.

Mr. Noble: Mr. Chairman, I would like to join with the other hon. members of the committee who have spoken in congratulating the minister on his appointment to the fisheries portfolio. I trust that he may give this department energetic and diligent leadership.

I was pleased to hear him mention the great lakes fisheries and the international fisheries commission through which he is able to provide some influence on these fisheries. At the outset I want to say I am going to be very brief. However, I do want to make representations on behalf of the great lakes fishermen, who look upon me as their friend and supporter with respect to federal responsibilities in the great lakes fisheries.

It is my hope that the minister will show the same awareness and consideration as did his immediate predecessor in respect to the problems of the great lakes fisheries. The almost complete disappearance of lake trout from the great lakes is now common knowledge, but the definite cause of this phenomenon is not certain.

Over the years sea lamprey have been blamed, but many fishermen maintain that the smelt is also involved, not to say anything about exploitation by the fishermen themselves. Nevertheless, it is necessary that constant research be carried on so that lake trout or other suitable fish may be restored to the great lakes.

I should like to read a short editorial which I feel is appropriate at this time. It is taken from the *Ship-Shore News,* and it states:

> Only a few years have passed since "lake Superior trout" was a featured food item on railway car diners travelling on the main lines through northern Ontario. Out of the window of his car the passenger could see the sparkling cold waters of the world's largest fresh water lake with an area of 31,820 square miles. Only a few hours previously the fish that graced his plate had been netted in this lake. A dish fit for a king.
>
> **A. B. Wood, head of the fish division of the** Michigan department of conservation, has broken the news that 1961 may be the last year that nets are set out for trout in lake Superior. For all practical commercial purposes the trout have declined to the point of no return for the nets. In

1952 commercial fishermen in Canada and the United States took out more than 4,000,000 pounds of trout from lake Superior. Last year the catch was 576,000 pounds and the estimate for this year is less than 300,000 pounds.

The doom of commercial fishing in the great lakes was forecast by conservationalists and commercial fishermen more than 20 years ago, perhaps nearer to 30 years. Those were days of exploitation of natural resources and the governments of the day were tone-deaf to the voices in the wilderness protesting that natural resources were not forever unless controls were imposed.

The great lakes fisheries commission on which the federal government is represented has continued over the years since its formation in 1954 to do much research. It appears that their belief is that the lamprey is the culprit causing all the trouble, and all their efforts have been directed toward its destruction. Their program in this regard has met with considerable success since the streams used by the lamprey for spawning were treated with lampricide. Now that these measures have been taken as the necessary preliminaries to coping with the problem, the fishermen feel that the commission, in co-operation with the provincial government, should press forward with a progressive program of restocking. In fact, the sports fishermen's clubs, commercial fishermen and members of several chambers of commerce in the area of Georgian bay have formed the Georgian bay fisheries association. It is their intention to press for more action in the restoration of our fisheries.

The urgency of this is illustrated in an excerpt which I am going to read from the Toronto daily *Star*, which illustrates what is happening in all the fishing centres of the great lakes in my area. This article concerns the fisheries in Tobermory, at Georgian bay. It says:

The fisheries at Tobermory on the Georgian bay have never been so low. In 1953 there were 11 boats operating with a catch in excess of $800,000 maintaining 60 families. In 1957, only one boat was operating. In 1959 there were only two boats with a catch valued at less than $40,000 to provide for eight families.

I might say that the only fish they are catching at the present time in this port is herring, and they are not catching $40,000 worth.

I have attended most of the meetings of the Georgian bay fisheries association. They have many dedicated people in their membership who should be given some tangible encouragement in their quest for the restoration of an industry that means much to our economy. The tourist industry in the lake Huron-Georgian bay areas is of major importance, and lake trout was once our greatest attraction. Mr. Chairman, our good Minister of Fisheries may be wondering how we feel he should fit into the picture. I believe he could become the toast of the great lakes fishermen. In my opinion, the time is ripe for the injection of some new blood and some new ideas into the great lakes fisheries commission through our federal representatives. Give this program of fisheries restoration some new ambition, some new energy and more money if necessary. I trust, Mr. Chairman, that the minister will see fit to make good use of the extra $130,000 voted over last year's estimates for the use of the great lakes fisheries commission.

If we cannot restore the lake trout, let us introduce the sockeye salmon. I have come up with this idea for about six years now, I guess, and have seen no action yet, but I hope that our new minister will follow the trend of things and give us some sockeye salmon. Salmon has been successfully transplanted to other waters. I have two clippings here which bear out that fact. One is taken from a Port Arthur paper and the other from my local paper at Owen Sound. It appears that a few years ago, I believe in 1959 or 1960, the department planted about 300,000 fingerlings from the fish hatchery at Port Arthur in Goose creek, which is up in the Hudson bay area. To my knowledge nothing has been heard of these fish since, but in cleaning up the troughs and containers in which the fish were kept previous to their transplantation about 60 escaped into lake Superior. According to these two articles, three of these fish were subsequently caught at widely spaced points in lake Superior and they had grown to maturity, weighing two and a half to three pounds, which illustrates that fish can be introduced into the great lakes and live there. Therefore I hope the minister will do something along this line of experimentation.

I should also refer to the excellent success with the rainbow trout since its introduction into the great lakes. These, of course, are a sporting fish. Nevertheless their spawning habits are the same as the salmon, which takes place in the headwaters of the streams and rivers. It is my contention that one of the reasons we have difficulties with lake trout is because they spawn in shoals in the great lakes and the predators there destroy great numbers of fish eggs. This is one reason that I think fish which go to the headwaters of rivers to spawn would have a better chance to survive. I feel that if our Minister of Fisheries would show some initiative through the great lakes fisheries commission, our young, progressive Ontario government, his partners in the administration of the great lakes fisheries, would not hesitate to jump on

the bandwagon, and before too many years we would see satisfactory results in our great lakes fisheries program.

Mr. Cashin: Mr. Chairman, first of all, I should like to join with others in congratulating the Minister of Fisheries on his first presentation of the estimates of his department. At an earlier time during the course of debate in this house I had occasion to make some reference to the disparity between the government's approach to western agriculture and its approach to the fishing industry.

Mr. Clancy: May I ask a question. How does western agriculture come into fishing?

Mr. Cashin: If the hon. member bears with me perhaps a little enlightenment will come his way.

Mr. Clancy: Let us get on with the debate.

Mr. Cashin: At that time, Mr. Chairman, I made reference to a number of matters which I felt should be part of any national policy for the development of our fisheries. My colleague from Burin-Burgeo has already pointed up one of the great problems, that of maintaining price. When we look at agriculture we see a great disparity between the measures taken by government to maintain price certainty and the measures designed to help our fishermen. Even taking into consideration the fact that there are eight and a half times as many farmers in Canada, it is interesting to note that the fishermen receive only about one seventh of the price subsidies received by farmers. This is a great disparity and any development program which did not take this into account would be doing a disservice to the industry. As the hon. member for Burin-Burgeo (Mr. Carter) has said, the price paid to fishermen in Newfoundland is very low. There are those who say the fish plants could afford to pay more. I do not have the evidence to support that statement, but it remains a fact that present prices paid for fresh fish in Newfoundland are too low, and unless there is some increase I fear for the future of the industry.

In the field of agriculture, various measures have been devised to reduce the uncertainties attaching to production and sale. There are those who say that fishing is so dissimilar to agriculture that the application of programs such as crop insurance, or their equivalent, to the fishing industry would not be possible. But to my knowledge no real attempt has been made to see whether or not it is feasible to develop crop insurance for the fisheries, though I think this is an important ingredient in any plan for the development of the industry. I feel it would be a great inducement to the fishermen when they are planning their work for the year if they could feel there was an insurance scheme of this type in effect. Of course, improved technical knowledge and improved equipment would also reduce the risk.

A further consideration which should be borne in mind in any program for the industry is marketing. Marketing development is most important, particularly with respect to the salt fish trade. It has been suggested that a body somewhat similar to the Canadian wheat board could be used to market our salt fish. The wheat board has an excellent record of developing world markets for western grain, but no action has been taken to set up a similar organization to help look after the interests of the fishing industry.

A fourth important measure which I believe would be an ingredient of a good fisheries program would be means of expanding credit facilities. When we compare the credit made available to our fishermen with the credit facilities at the disposal of agriculture, we again find a great disparity. Perhaps I might be allowed to put some figures on record. In 1962, approximately $1.2 billions was paid out under the Canadian Farm Loan Act. This is approximately one thousand times greater than the $1.3 millions paid out under the Fisheries Improvement Loans Act. Under this act, since 1955, there have been only 12 loans in Newfoundland, I understand, to a total of something in the area of $16,000. The reason for this situation is that the act is not suited to the needs of inshore fishermen in Newfoundland. Proper financing has never been part of the life of the fisherman there. The outdated credit system under which individual fishermen operate is much the same as it was centuries ago. I believe a great challenge faces the minister here if he wishes to do something of lasting benefit for the fishing industry, particularly in Newfoundland.

The hon. member for Skeena correctly called attention to the differences between the fisheries on the east coast and on the west coast. There are also important differences between the fisheries in Newfoundland and in some of the maritime provinces. In Newfoundland we have a much larger inshore fishery—fishermen with limited equipment engage in the fishery and trawler operations and dragger operations are not as great. Far more individuals are involved. Basically, what is needed is a substantial addition to the thinking of the federal government in its approach to fisheries policy. The present approach concentrates on inspection, regulation, research and the provision of physical facilities to a limited extent. It also provides facilities for vessel construction and, to a

certain extent, for fisheries improvement loans. There is still an absence of a comprehensive development policy. There is still a serious disparity between the provision made for the fishing industry as opposed to the provision made for agriculture. This problem will not be met by mere additions or improvements to the present system. I think there must be a fundamental admission that the federal government has never involved itself in this segment of the economy to the degree it is capable of doing. If ever a government was justified in intervening in the economy it is justified in the case of the fisheries of this country.

The fisheries of Newfoundland have not changed very much over several hundreds of years. I feel there is an unrest, today, among the fishermen. Geography and a great many other factors have brought about the slowness to change, which we have seen up to the present; but today the time is ripe for this government to take positive action and to depart from the traditional approach. This may involve a great deal of change in our thinking, but I believe it is necessary. Until now, I do not believe we have had a Department of Fisheries which has been prepared to tackle this problem. This is the task which now faces the present minister and I have confidence that during his term of office a great deal will be accomplished.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Chairman, I should like to make a few remarks about the estimates of the Department of Fisheries, not only because I am very fond of sea food, but mostly on account of a pleasant experience I had last summer. I then had the opportunity to visit the home town of the Minister of Fisheries (Mr. Robichaud), and I must say to his credit that the people of Caraquet are very proud of their minister.

I found out at the same time that the people of Caraquet and from that area of New Brunswick are extremely courteous. I was even able to note a certain spiritual relationship between the people of that area and the Saguenay population of which I am a humble representative in this house.

For instance, I found out that Reverend Father Labrosse, who had been a missionary in Caraquet, had also been a missionary in the Saguenay area during the same period. This finding has enabled me to establish closer relations with the people of that highly considered area of our country who are almost 100 per cent French.

During my stay in that region, I realized the importance of our sea and deep sea fisheries for the economy of Canada.

I questioned at length the inshore and the deep sea fishermen. I went aboard their trawlers and even had the opportunity of visiting their fish processing plants.

Mr. Chairman, the reason I am making these few remarks tonight is that those people, who are constantly risking their lives, those conquerors of the sea, are not making the profits they are entitled to.

For instance, I have found that even when their trawlers came in with some 75,000 or 80,000 pounds of fish, the owners could only rely on their small unemployment insurance benefits to meet their needs during the winter season.

As a matter of fact, when you realize that a trawler costs between $75,000 and $90,000 and that unemployment benefits are the only source of income its owner has during winter, you really wonder how he can manage.

Fortunately, I understand that their profits are somewhat bigger now than they used to be.

I noticed, especially in the neighbourhood of the small town of Caraquet, that people are leaving farming for fishing.

Once again, I should like to point out to the house that the income of fishermen is not adequate, in my opinion.

Mr. Chairman, I have also noticed that fishermen in the Gaspe peninsula complain because fishermen from the maritime provinces do some fishing along the north shore of the St. Lawrence. In fact, the Gaspe fishermen feel that they have to put up with unfair competition from the maritime fishermen because the latter have better equipment to fish along the north shore. I feel that such a conflict should be fairly easy to settle, and I am drawing it to the attention of the minister who, I believe, is himself a descendant of those conquerors of the sea.

Those are the few remarks I wanted to make, Mr. Chairman.

[*Text*]

Mr. Clancy: Mr. Chairman, I should like to congratulate the minister upon introducing his estimates for the first time, and in looking at the benches I also wish to congratulate him on the support he is getting from the Pacific coast. I think that the question I was going to ask might perhaps be better left to someone from the Pacific coast. What concessions are we giving the Japanese under the north Pacific treaty, which has just been completed?

As one who comes from Saskatchewan I deplore the fact that that delicacy, the goldeye, is disappearing as the result of the damming of rivers, and I say to the people from

the Pacific coast: Let us find out if the treaty is going to hurt the salmon run. I am very glad to see the Minister of Fisheries dealing with these estimates and I am very pleased to see so many Pacific coast members here.

Mr. Granger: Mr. Chairman, first I should like to join with those who have congratulated the minister on the occasion of his first presentation of the estimates of the department. I also wish to join those who have expressed their regret at the passing of the former deputy minister, the late George Clark. I wish his successor, Dr. Needler, every success and a long period of useful service in the Department of Fisheries.

The estimates of the Department of Fisheries are of particular interest to all of us, of course, from either the Atlantic or the Pacific seaboard as well as to people in other parts of Canada. My own particular interest arises because so much of my riding is on the sea and so many of my constituents are fishermen. If I were to sum up in a few words what the great need of the fishing industry is, I would simply say that it was increased productivity and wider markets; but that is too wide a generalization.

I should like to mention one thing in passing. The fishing industry, like all other old industries, has accumulated problems over the years to the point that many people refer to these problems as if they were insoluble problems, impossible to be dealt with effectively in a reasonable period of time. I am convinced that kind of thinking is wrong and nothing is farther from the truth. What is commonly referred to as the fisheries problem is nothing more nor less than a group of small problems, all of which are soluble.

Among some of the specific things that are needed is the enlargement of the bait service. From year to year in recent years a number of bait units have been placed in various parts of Newfoundland, including my own riding, and although this program is headed in the right direction I should like to see it intensified. There is a great need for bait. Every year thousands of catchable fish are left in the sea because the fishermen have no bait. The Department of Fisheries has recognized the problem and is taking steps to rectify it but, as I said, I should like to see the program intensified and the bait service as a whole enlarged.

I should also like to see a continuation of the building of community stages, as well as capital assistance for those fishermen who are unable to improve their fishing gear, or for those men who are not now fishermen but want to engage in the fishing industry.

[Mr. Clancy.]

Another aspect of the fishing industry which needs serious attention is the developing of new markets. The world seems to be becoming more fish conscious, and there must be many places that Canadian fish can be sold where now it is not. I also think that the matter of shipping fish by air from Gander, let us say, to the European market is one which the Department of Fisheries could explore profitably, because today Europe provides a profitable market for fish. Incomes in Europe are high. Traditionally, the people of Europe have been fish eaters. We, on the east coast of Canada, ought to be able to supply a greater proportion of the needs for fish in the European market. In addition to thinking of shipping fish in the traditional way, by boat, we ought to think about shipping fish by air—fresh fish, not frozen fish. Europe is only hours away from Gander. A modern DC-8 freighter, I believe, can carry 8,000 pounds. Fresh fish supplied by air, when it could be eaten within a matter of hours after being taken from the water, would command a much higher price than the frozen article. I would suggest that the Department of Fisheries look into the possibilities of developing a market in Europe to be supplied by Canadian fish shipped by air.

In passing, I would suggest that if an airport like Gander did not exist we ought to be thinking about building one. However, we do have in Gander a large modern airport and its great facilities ought to be used for sending Canadian products overseas. The hon. member for Skeena mentioned that in the coming years there would be a far greater consumption of fish and that we ought to be preparing now to take advantage of this possibility. I agree with him wholeheartedly and hope that the federal-provincial conference on fisheries will result in a great national fisheries program which will start Canada on her way to becoming the greatest fish producing country in the world.

Mr. Chatterton: Mr. Chairman, we on this side are anxious to co-operate with the government in expediting the business of the house. My remarks, therefore, will be very brief. Being a member of the official opposition from the Pacific coast, I think I am entitled to make a few remarks. We have heard from the members of the various provinces along the Atlantic coast and some of the members around the great lakes. I think, for the benefit of members, and to place in perspective the importance of the fishing industry to my province, I should quote just one or two figures. The landed value of fish and fish products in British Columbia in 1961 was $38 million. The next highest province was Nova Scotia with $27 million, and so on down

the list. The cash value of fishing craft and gear in British Columbia in 1961 was $56 million, whereas in the province of Quebec, New Brunswick, Nova Scotia and Prince Edward Island combined, it was about $43 million.

Now, Mr. Chairman, since I come from the Pacific coast I must necessarily mention the international north Pacific fisheries treaty. Although there may have been disagreement amongst the various segments of the industry in British Columbia as to the recommendations of the north Pacific fisheries commission, I want to try to convince the minister that in one respect every phase of the industry in British Columbia is unanimous, and that is in opposition to the relaxation of the application of the abstention principle as contained in the present convention. Even the fisheries association of British Columbia, which had previously approved the recommendations of the commission, is opposed to the relaxation of this principle.

In the limited time I propose to take, Mr. Chairman, I want to deal briefly with one specific phase of the fishing industry of British Columbia on the Pacific coast. I refer to the salt water sports fishing industry. Although I enjoyed the minister's talk tonight, I was disappointed that he did not mention this particular phase of the fishing industry, because it is already an important part of our industry on the Pacific coast and is becoming more important. As an example of the extent to which sports fishing on the Pacific coast is developing, I may tell you that in one day, August 6, 1961, according to an aerial survey made by the officers of the fisheries department—I might pause to commend the excellent staff of that department—close to 2,000 sports fishing vessels were counted in the straits of Juan de Fuca and Georgia. There are, on the average, about two and a half people per boat, so that means on one morning there were about 5,000 people engaged in sports fishing on the inner waters between the mainland and Vancouver island.

Although this was in August, Mr. Chairman, and the best fishing time of the year in our province is late summer, the fact is that sports fishing takes place all year round. In so far as the tourist business is concerned, sports fishing is also important and growing in importance. It has been estimated that in 1962 there were 300,000 tourists who came to British Columbia for the specific purpose of taking part in salt water angling. It is estimated that these tourists spend, on an average, $50 per person per day. In so far as the tourist business is concerned, the sports fishing industry brings in some $15 million per year to the province of British Columbia. In addition to that, it has been estimated that the total value of the sports fishing industry in British Columbia is over $50 million a year.

Many organizations on the Pacific coast have combined to promote the business of sports fishing. The organization set up by them is called the amalgamated services society. I would suggest to the minister that he seriously consider the suggestion put forward by this society for the establishment of a sports fishing commission on the Pacific coast. For one thing, this society feels that there should be a great deal more done in connection with the rehabilitation of and research in the sports fishing species, namely, springs and cohoe. A great deal has been done in connection with some species, but these are mostly in the net fishing species.

In closing, then, I commend to the minister serious consideration of the brief submitted by the amalgamated services society to the previous minister, dated February, 1963, and which was too late for him to act upon although I know he was very interested in it.

Mr. McLean (Charlotte): I should like to congratulate the minister upon his appointment and also the deputy minister. I have known both of them for a great many years. The industry that I represent is the sardine industry, and it is known all over the world. The word "sardine" is the same in three languages, Spanish, French and English. If you will pay attention when reading a book in the future, you will probably see the word "sardine" mentioned.

One hon. member said tonight that the fishing industry was a sick industry. I do not agree with him as far as the sardine industry is concerned. Our sardine industry will take a back seat to no other sardine industry in the world. We can compete all over the world. The only thing we have to do is keep the government out of our hair and let's go to it. I have a few more notes here, but it is difficult for me to read my own writing.

Since coming to Ottawa I have heard that the government has some kind of a butter problem. I always say we have a sardine problem but we are not asking the government to do anything about it. We have 100 million tins of sardines on our shelves at the present time, but we are going to dispose of them through private industry. We have in our industry the seiners, the weirmen and the packers. We need the three trades in our industry. The seiners are mobile; they go after the fish wherever they are. The weirmen are stationary and the fish must come to them. Therefore we need regulation in our industry, and I would say that for five or six years

up to this time we did not have regulation in the industry; it was more or less chaos.

The reason we need the weirmen in our industry is that at certain times in the summer the fish need to be cleaned and kept in the weirs. If the seiners seine fish at this particular time, they must hold the fish in the seine, and if the fish die they have to sell them for fishmeal or something else—what we call the grinders. So we need the weirmen. Scientists will probably tell you that there are enough fish in the sea to keep us going; it does not make any difference how we take them out, or anything like that, because the fish are there. I agree with the scientists that the fish are there; but on the other hand it is what people think that counts. The weirmen think the seiners are disturbing the schools coming in and they will not build their weirs. If they do not build their weirs, it does not make any difference what the scientists think, because we will not be able to keep the industry and it will put the industry, the seiners and the weirmen out of business. Therefore we must have regulation.

I want to congratulate the minister upon putting regulations into effect which are going to be of great benefit to the sardine industry. Another thing about that industry is that we do not know anything about it. I have been in the sardine industry for about 40 years, and I know no more about it than I did when I went into it, as far as the fish are concerned. I can tell you all about the manufacturing end of it, I can tell you all about selling; but I cannot tell you anything about when the fish are going to arrive, how big or how small they are going to be, or anything about it. I have talked to scientists and they have told me it would take about 20 years of intense research to know about it.

In our industry we make our own cans and pile up, say, 7 million or 8 million cases of cans, with nothing to put in them. We build a warehouse; we put $250,000 into a warehouse, and have nothing to put into it. Then the fish come all at once and we find we do not have enough cans. The Department of Fisheries could give us that information through research, and I hope that money will be put into the estimates to take care of that problem.

There is another problem, about which hon. members have probably heard. I refer to the Passamaquoddy development. I do not know anything about power development, but I do know something about the fisheries. With regard to the Passamaquoddy development, at the present time the United States government is asking for 109 square miles of our water. If that water is turned over to them we will lose control of 109 square miles of this resource. The sardine industry is located around Passamaquoddy. It has never been proven why that industry is there. It has never been proven what put the industry there. It is the only place in North America where you can have a sardine industry. This industry means a great deal to our economy; in fact, it pays out between $5 million and $6 million a year for fish, and in wages. If you cannot prove why that industry is there, then you cannot say that any dams or power developments are going to hurt it. The first thing you have to prove is why the industry is there, and that has never been proven. It is the only place in North America in which this industry can be economically located, because you have to operate six or seven months in the year to make it economical. In the sardine industry we operate sometimes 12 months a year. I think there should be quite a bit of research carried out and we should know why the industry is there. If we know why, we will know whether any dams or power developments will hurt it. But, as I say, we do not know that at the present time, and we should know it before any power development takes place on the Passamaquoddy.

Another item we have down there is clams. For many years we had clam factories around the bay of Fundy. Ten or fifteen years ago it was recommended—I do not know what government was in power at that time—that some conservation should be carried out on clams, but nothing was done about it. This went on until the clams were dug out. When the fisherman goes to work and digs clams, if they are smaller than two inches in size he has to throw them away, and the gulls and crows pick them up. So eventually our clam factories were shut down. I recommend most strongly to the Department of Fisheries that they close the beds and keep them closed for at least three or four years, until the clam industry can come back again and be given the chance once more to go into operation. I hope this will be done.

The sardine industry does business with people all around the world. Sixty five per cent of our industry is concerned with export. Therefore the industry means a great deal not only to the province of New Brunswick but to the Dominion of Canada, because it keeps the export dollars rolling in. Our export market to England was for a long time shut off because the use of the word sardine was forbidden in that country. But lately we have got around that by using the word sild and we are developing quite a market in England. It is strange when one realizes that the development of this market was helped because of Jamaicans going over to England.

For the last 60 years we have always had a very large market in Jamaica. The Jamaicans went to England and located around London and Manchester, and the first thing we knew was that we had developed a market for sardines in these areas. We found that Jamaicans were asking for these sardines. Therefore, because we put the word sild on the cans we were able to send sardines to England.

I probably could talk about the sardines for quite a while, but the hour is getting late and I think I have possibly said enough.

Mr. Churchill: I just want to ask the minister a question. Is it his wish that the estimates be passed tonight, or does he wish to conduct what looks almost like a filibuster on the part of his own party? They have consumed at least one hour and 20 minutes of the time. I thought the idea was that we would push on with the business of the house. We have indicated our desire to get these estimates through, and get on to the Department of Public Works.

Mr. Robichaud: I appreciate the co-operation which I have received this evening on the introduction of my estimates. I do not deny the fact that probably more hon. members have spoken from this side of the house than from the other side, but everyone has been very brief. It certainly is my intention, if we have the co-operation of the house, to have these estimates passed this evening. Personally I had some replies for hon. members who have spoken, but if the house agrees, I would prefer giving those replies to them individually by letter, and then carrying on with the estimates.

Mr. Howard: I think that proposal of the minister's is most unsatisfactory. By providing information by letter an hon. member does not have the opportunity to query it further in public. We should like to see these things done in public, and not secretly by letter.

The Deputy Chairman: Shall item 1 carry?

Mr. Howard: No. Before it does, perhaps the minister could say what he was going to say in response to the various items.

Mr. Robichaud: As the hon. member is keenly interested in having some response to the matters he has raised, I am prepared to give it very briefly. The hon. member has referred to a letter to which he could not get a reply. I was the most surprised member of the committee to learn about this because it is not the practice in my office. So far as the north Pacific fishery treaty is concerned, I have previously said that while the negotiations are under way it would not be proper for us to debate the details of the negotiations now taking place regarding the treaty between the United States, Japan and Canada.

I have stated, and I repeat it, that as soon as an agreement is reached between the three parties to the treaty, the standing committee on marine and fisheries will be called and the whole matter will be discussed in all its details, because then we would know on what terms an agreement had been reached. I can assure hon. members that we know the views of the different parties, of the fishermen's union or the association, and of fishermen who do not belong to that particular union.

The Canadian delegation has done everything possible to respect those views and to make sure the interests of the fishermen were protected. The hon. member also mentioned that it was not proper to have a home-town minister. Although I do come from a fishing community, it is not my intention to act as a home-town minister. The policies which will be introduced by this government will be national policies, and if the hon. member would take a quick look at the estimates he would see that the amounts are fairly evenly divided between the province of British Columbia and the five or six provinces on the east coast. For instance, in the item on conservation and development, out of $6,700,000 over $2,700,000 is for the west coast. For construction and equipment, out of $1,700,000 over $766,000 is for the west coast, and if he looks at votes 45 and 85 he will find that the west coast is well taken care of.

Item agreed to.

Special—

45. Canadian share of expenses of the international commissions detailed in the estimates, $1,162,000.

Mr. Howard: On this item which deals with Canada's share of the expenses of a number of international commissions, we must disagree with the minister's contention that it is not proper to debate the question of the north Pacific fisheries treaty while the negotiations are being conducted. This is a most ridiculous contention because its implication is that we must remain silent, with no opportunity to get information from the department or the minister about what is taking place or what is proposed with respect to a vitally important phase of our fishery problems. The same principle would apply with respect to any discussions relevant to other treaties and conventions.

The negotiations, so-called, with respect to the north Pacific fisheries treaty have encompassed quite some time, and I gather they

are not complete. A further meeting is to take place in Ottawa some time next spring, which leaves us in the position of facing a blank wall, with no response to any of the queries made with respect to this vitally important question.

We hope the minister and the government agree without equivocation that there should be no relaxation of the abstention principle contained in the treaty, because that is the basis on which it rests. As the hon. member for Esquimalt-Saanich indicated, there is not one iota of difference with respect to it among any of the organizations or people on the west coast who are concerned with it. Yet the attitude of the government as expressed publicly has been generally one of possibly wanting to negotiate on the question of the abstention principle in order to preserve the treaty itself.

We all want to ensure that there is a treaty and that it is maintained. In fact we would like to see it expanded to include other nations, as the Liberals promised they would do. The approach of Canada, however, as enunciated in the public press, has been one which would lead the public to believe that the government's attitude is that of wanting to bargain away the abstention principle in order to maintain the treaty in existence. This is the interpretation which could easily be made, unless the minister clearly states the contrary.

I saw an indication of this in the Vancouver *Province* some time ago. I have forgotten the date, but it was around the time that the minister left the west coast to go to Tokyo to participate in the discussions there. There was an indication in that newspaper, and an interpretation by some people, that the government would be willing to let the Japanese people fish more of our herring on the west coast if they would only leave our salmon alone on the high seas.

I do not believe the minister would make such a statement, and I do not think it was attributed to him. He knows the industry better than that, but this is the interpretation being placed on the attitude of the government, because it has not clearly stated its concern for the maintenance of the abstention principle as it is presently contained in the treaty, and the expansion of that principle so that the line of demarcation that now exists is placed in such a position in mid-Pacific as to guarantee that our salmon, which spawn and grow in our streams in British Columbia, are not caught on the other side of the 175th west meridian. It is the particular function of the minister and his government to explain to this parliament those misconceptions which exist with respect to the treaty, without any equivocation, followed of course by firm definite statements and approaches in various discussions taking place between the three nations negotiating the treaty. If the minister desires to deal with that particular phase of the matter I for one would like him to tell us what is happening to the promise of his party to guarantee that Russia would become a party to the treaty.

[Mr. Howard.]

Mr. Robichaud: So far as the statement to the effect that I said it was our intention to allow the Japanese to catch more herring on the west coast in return for certain protection to salmon fisheries, there is no such statement on my part. Negotiations in Japan have taken place amicably. We exposed our position and told the Japanese and the Americans what our position was. We were certainly interested in retaining the north Pacific treaty, but we knew such a treaty would be useless to us unless we had within the treaty the measures needed for the protection and conservation of our Pacific fisheries. I can assure the hon. member it is not a give-away affair on our part. As I said earlier we are fully aware of the intentions, desires and views of both fishermen and the industry on the Pacific coast, and it is our intention to act accordingly.

So far as the promise made by the party to which I belong to include the U.S.S.R. in the treaty, I assure the hon. member that this evening is the first I have heard of that promise. The matter has been under discussion, but I want to repeat what I said earlier. We do not feel that now is the proper time to have the U.S.S.R. as a fourth party to the north Pacific treaty. We have taken the matter up before with the U.S.S.R. and it has been obvious to us that they have no intention whatsoever of joining at this time. What the future holds for us I cannot say, but I hope some day we will be in a position to have all countries interested in fishing in the north Pacific taking part in a north Pacific treaty.

Mr. Howard: It is too bad the minister does not read the political propaganda put out by his own party. I have a publication in front of me called the "Liberal Challenge" published by the B.C. Liberal association, in which they offer a solution to everything. On page 7, under the heading "Wealth from the sea", there are a variety of things which are going to be done. Let me quote from it:

> Other measures in the Liberal fisheries program—

and that is a capital "L" Liberal—

> —look toward bringing Russia under the provisions of the north Pacific fisheries treaty, which now governs only Japan, Canada and the U.S.A.

Mr. Robichaud: That is exactly what I said. We are looking towards that, but we feel now is not the proper time. We believe they are not prepared to join in such a treaty.

Mr. Howard: That is not what the minister said.

Mr. Pickersgill: Yes it is.

Mr. Howard: He said a moment ago that with respect to bringing the U.S.S.R. into the north Pacific fisheries treaty, this was the first he had heard about it.

Mr. Robichaud: No, I meant the election promise.

Mr. Howard: That it was an election promise?

Mr. Robichaud: Yes, by the Liberal party.

Mr. Pickersgill: It is not a promise; it is just anticipation.

Mr. Howard: If the minister did not have so much coaching from the Secretary of State who is sitting beside him, we might get some straight answers to this question. In any event, whether the minister heard about it or not, and no matter how much he wants to misinterpret his own party's propaganda, he said they had had discussions with the U.S.S.R. about this matter. Can the minister tell us why he says that now is not the time to bring or attempt to bring the U.S.S.R. into the north Pacific fisheries treaty, especially in view of the fact that the whole treaty is open to negotiation, having reached its ten-year expiry date in June, negotiations having gone on in Washington and Tokyo and planned for Ottawa in the spring? Second, with whom were the discussions held; through what channels; how long did they take; what was discussed, and what was the attitude of the U.S.S.R.? I should also appreciate it if the minister, who a moment ago said that the Canadian delegation had explained their position quite clearly both to Japan and the United States, would extend that a little and be courteous enough to parliament to explain the position to parliament as well, so the people in Canada know what this is all about.

Mr. Robichaud: I should like to make it clear that the Russian fishermen at this time are not fishing stocks of fish which the United States, the Japanese and ourselves are interested in. There would be no real advantage in the U.S.S.R. participating in a treaty covering stocks in which they are not now interested. I should also mention that in a certain area of the north Pacific they have a treaty with Japan; and if we studied in detail the application of that treaty to our problems I think we would find that in some cases it would not be too practical.

Mr. Howard: Would the minister mind telling us why it is not considered practical to have the Soviet union in the treaty? He said they are not interested in the fisheries areas covered by the treaty. I presume this means salmon fishing, which is of vital concern to us and which extends into the mid-Pacific. Is it the Soviet union which says it is not interested in fishing the fish in this area, or is it the minister's guess that the Soviet union is not interested in the particular species of fish in that area? I am sure the committee would like to know when these discussions took place, and through what channels.

Mr. Robichaud: At no time has there been any official negotiation with the U.S.S.R. concerning the participation of their country in the north Pacific treaty. The U.S.S.R. have had representatives at other conventions where we had Canadian delegates. There has also been an exchange of notes between the Department of External Affairs and the U.S.S.R. regarding the halibut fishery. I am not in a position to give all those details this evening; I do not have them in front of me. As I mentioned earlier, we feel this is not the time for the U.S.S.R. to join because they are not interested in participating. Second, they are not interested in the varieties or stocks of fish presently covered by the north Pacific treaty.

Mr. Monteith: Ten thirty.

Mr. Howard: Inasmuch as the minister has said he does not have these details before him now, it might be as well to call it ten thirty so that on another occasion he might have the opportunity to provide that information, so that we may know what is going on.

Item stands.

Resolutions adopted in committee of supply this day reported and concurred in.

BUSINESS OF THE HOUSE

Mr. Churchill: We have been told the business for tomorrow, but would the leader of the house put it on the record for convenience. Second, would he let us know what the business is for Monday and Tuesday? My hope is that he will space out the three remaining supply motions over the next seven weeks rather than take them consecutively.

Mr. Pickersgill: The business for tomorrow, as has already been indicated, is the continuation of the income tax bill. If that should be completed I think we would be prepared to

go on with the vocational training resolution, but I imagine that is only a remote contingency, much as I should like to think otherwise.

Tomorrow evening we shall take the estimates of the Department of Justice. If they should be completed, the Minister of Transport would be available to take up those items of his which were stood over. It is our intention to have the Minister of Finance move to go into supply on Monday. I should like to have a chance to talk to hon. gentlemen opposite about the legislative plans for the rest of the week. I hope to give what indication I can tomorrow night.

It being 25 minutes before eleven o'clock, the house adjourned, without question put.

The following items were passed in committee of supply this day:

DEPARTMENT OF FISHERIES

1. Departmental administration, $461,000.

5. Information and consumer service including grant of $3,000 to Nova Scotia fisheries exhibition, $291,000.

10. Economics service including $10,000 for grants to Canadian universities for research in social sciences, $337,000.

15. Industrial development service, $693,000.

20. Field services administration, $885,000.

Conservation and development service—

25. Operation and maintenance, $6,738,000.

30. Construction or acquisition of buildings, works, land and equipment, $1,070,000.

30a. Construction or acquisition of buildings, works, land and equipment, $231,000.

35. Inspection service, $2,038,000.

40. Fishermen's indemnity plan administration, $259,000.

HOUSE OF COMMONS

Friday, October 25, 1963

The house met at 11 a.m.

HOUSE OF COMMONS

ENGLISH DEBATES BRANCH—TABLING OF REPORT OF SURVEY

Mr. Speaker: Following a recommendation made by the commissioners of internal economy at a meeting held yesterday, I beg leave to table copy of a report of a survey of the English debates reporting branch, House of Commons, by the management analysis division, advisory service branch of the civil service commission, dated January 1963.

PRIVILEGE

MR. LAMBERT—EDITORIAL IN TORONTO "GLOBE AND MAIL"

Hon. Marcel Lambert (Edmonton West): Mr. Speaker, I should like to raise a question of privilege affecting all hon. members of this house because I feel there is a rather unfair commentary on the proceedings of this house appearing in an editorial in this morning's *Globe and Mail*. Reference is there made to the debate which took place in this house very briefly last Friday consisting of a speech lasting some 15 minutes by the Prime Minister, and a debate lasting about an hour and a half to an hour and 40 minutes the day before yesterday, concerning the setting up of the committee to deal with the procedures of this house.

It has been suggested, Mr. Speaker, that this was a waste of time. May I say, sir, that I feel it would be quite improper to so suggest since the house limited itself to statements by leaders of the parties, and I myself spoke for a period of less than three minutes. Certain things were said during the course of that debate which could not be said in committee. They were matters for the house to consider during the course of that debate. Under the circumstances I feel that the inferences drawn and some suggestions contained in the editorial were quite unfair to this house as a whole.

MR. OLSON—ATTEMPT TO CALL MEETING OF AGRICULTURE COMMITTEE

Mr. H. A. Olson (Medicine Hat): I rise on a question of privilege that concerns all members of this house and which, I suggest, has become urgent in the last few days. Yesterday evening I addressed a letter to the chief of the committees and private legislation branch, and I wish to quote that letter:

Dear Sir:

I wish to request that a meeting of the standing committee on agriculture and colonization be called with all convenient speed for the purpose of selecting a chairman and other officers.

I further request that the committee be asked to consider and investigate the wide difference between the price received for feed grain by the producers in western Canada and the price paid by livestock feeders in eastern Canada.

Yours truly,

H. A. Olson.

I received a letter in reply, which I also wish to quote:

Dear Mr. Olson:

Your letter of October 24 requesting a meeting of the standing committee on agriculture and colonization has just been handed to me.

As I indicated to you over the telephone, I have no authority to call a meeting of any parliamentary committee. However, I am passing your request on to the chief government whip who, according to practice, advises me with respect to organization meetings.

Yours very truly,

Antonio Plouffe.

I suggest, Mr. Speaker, that there is precedent for raising a question of privilege such as I have in mind. I do not intend to quote all the evidence which is contained in the official records of this house, but it is reported in *Hansard* for April 16, 1935, volume III at page 2768 that a member of the staff of this house wrongfully interfered with the rights of a member. The point I wish to make now is that a member of a standing committee which has been set up does in fact have the right to request a meeting of that standing committee, and the officers of this house are under obligation to call such a meeting.

Standing order 65(1)(f) provides for the composition of a standing committee of the house on agriculture and colonization, to consist of 60 members, 20 of whom shall constitute a quorum.

On Thursday, June 27, 1963 this house concurred in the composition of such a standing committee and resolved that the committee be empowered to examine and inquire into all such matters and things as might be referred to it by the house; and to report from

time to time its observations and opinions thereon, with power to send for persons, papers and records. That will be found in *Votes and Proceedings,* June 27, 1963.

At this point the committee was fully constituted and in existence. It was, as the law has it, no longer in posse but in esse. It will continue so until the session ends or it is de-composed by action of the house. Its first function is procedural; that is, to appoint a chairman. Its second function is substantive; that is, to consider matters referred to it by the house and to report back thereon to the house. The committee, in the absence of regulation, is its own master of the first function, the appointment of a chairman. And every member being equal, each member of the committee has the right to call the committee to assemble at a particular time and place to elect a chairman. If a member exercises this right, the other members of the standing committee indicate their approval by assembly of a quorum at his call; if a quorum does not assemble, then the committee has indicated their disapproval of his call.

This is the general law governing public assemblies. It can be varied in any particular case by a governing authority. The Canadian House of Commons has not altered this general law by its standing orders. Standing order No. 1 states that where we do not provide for a case, the usage and custom of the United Kingdom House of Commons shall apply. But the United Kingdom House of Commons does not have a usage or custom; it has a particular standing order which provides for the manner in which a standing committee chairman is appointed, United Kingdom standing order 62(1). This standing order, and standing order 96(4), set up a particular machinery which we do not have and therefore cannot utilize. Mr. Speaker of the United Kingdom house appoints a standing committee chairman from a panel of members chosen by him at the beginning of the session called the chairmen's panel.

The United Kingdom does have a usage, but it applies only to select committees. Upon the select committee being appointed, its senior member fixes the time and place of the first meeting. For this purpose the senior member is the member who has the longest term of service, adding together his various periods of service in the house. This can be found in the book "The House of Commons At Work", by Eric Taylor, page 183.

The United Kingdom authority, Sir Reginald Palgrave, states that the member or members who call the meeting to elect a chairman have a further right; that is, to propose a president to conduct the meeting if more than one name is put forward for chairman. In his authoritative work, "The Chairman's Handbook", he says:

> A chairman may be called upon to take the chair with the general approval of the assembly. If the call, however, be challenged, a member of the meeting of influential or official position, who is not prepared to undertake the office of chairman, should be requested to act as president during the election to the chair. And, subject to specific rule to the contrary, the right to propose such a president lies with those who have called the meeting. Their proposal, therefore, should be accepted without dispute; they, on their part, acting with the sole object of securing the right conduct of the election to the chair.

A standing committee, or a select special committee for that matter, is a portion of the house and is not subject to the control of the government or the executive branch. That can be found in Beauchesne, fourth edition, citations 288 and 296. In citation 296 he says:

> A private member's notice of motion that the government should give consideration to the advisability of setting up a special committee of the house is out of order for it takes for granted that the government is vested with the right to appoint committees of the house. The executive power cannot encroach upon the legislative; they are both distinctly described in the British North America Act where it is also stated that the constitution of Canada shall be similar in principle to that of the United Kingdom.

It follows then, Mr. Speaker, that to suggest that a standing committee assembles to elect a chairman at the call of the government whip is to pile absurdity upon absurdity and to introduce a rule of tyranny into our democratic procedures. And it is even more absurd to introduce the fictional, as far as this house is concerned, government whip as the controller of the standing committees of the house.

So, Mr. Speaker, I suggest there has been a wrong interference by an officer of the house with respect to a member's right to call a meeting of a standing committee. Further, yesterday the Secretary of State said that any member of a standing committee can call a meeting of the committee on request that a meeting be called. If you will look at *Votes and Proceedings* of June 27, Mr. Speaker, you will see I am a member of this standing committee that is in existence.

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, if I may I should like to say a word or two to indicate how completely I agree with what the hon. member for Medicine Hat has said. I think we are all indebted to him for the research he has done on this subject. I must say I spoke without having made any study of the question, but I am very glad to be told that I am right because when he first rose I wondered whether I might perhaps have been wrong.

I think it would be quite insufferable if the chief government whip or any other member of the house had any greater rights than any

member of any committee set up by the house to ask that the committee be constituted and set up properly. Of course, once it is, the chairman has certain functions that are traditional. I have no doubt it has been the custom, as a convenience for these committees to be set up at the suggestion of the chief government whip. I daresay that has happened. I have not had too much to do with this sort of thing but I daresay that may have happened over the years. I am sure no official of the house meant to do any wrong or to show any contempt for the house, and I do not think the hon. member suggested that for a minute.

I do feel that perhaps now the matter has been aired there would be a consensus along the line the hon. member has suggested, that any member of a committee set up by this house could have the committee called together if there had been any delay in that respect. I hope that will be the universal view in the house.

Mr. Arnold Peters (Timiskaming): May I say that there is a notice being prepared in my office this morning calling for a meeting of this committee at nine o'clock on Monday morning. I have canvassed a number of the members and believe a quorum will be in attendance in the railway committee room. I think we all owe the hon. member for Medicine Hat a great deal for the work he has done in connection with this matter, and I believe it will change the operations of committees in the future.

Mr. E. Nasserden (Rosthern): I had intended to raise this matter today, Mr. Speaker, because I believe a wrong impression was left yesterday by the remarks made by the Secretary of State. It may be that any member can call a committee together, but until this house has given the committee some order of reference the committee has not anything to do except elect a chairman. I think that is the point this house should take into consideration. Yesterday I asked the Minister of Agriculture if he would submit to the committee on agriculture and colonization the stabilization act for study, and you will recall the answer I received on that occasion. Until this house gives the committee on agriculture and colonization something to deal with, it would be futile to hold a meeting.

Mr. Speaker: There is no doubt about the importance of the question to all hon. members in the house, but we have had an extended discussion and I am inclined to think that while the matter is very important, nevertheless it hardly rates the designation of a question of privilege. I suggest to the hon. member for Medicine Hat that perhaps on orders of the day he might direct a question along this line to the government.

Mr. T. C. Douglas (Burnaby-Coquitlam): Is Your Honour telling us now that a member of a committee cannot insist upon that committee being called together, and that instead we have to ask the government questions when the government itself, through the house leader, has specifically stated this is not the function of the government but the function of the house? We are asking that this house function properly so that the committees can be called together.

Mr. Speaker: The distinction I was trying to make is that in my humble opinion the matter is more in the nature of a grievance or a question of procedure rather than a question of privilege. This is the only point I was trying to make. The house, I know, is always master of its own decision in respect of procedure. I do think, in view of the extended discussion we have had, that the air has been cleared, and I am just suggesting the matter might be left there in view of the explanation of the Secretary of State this morning.

Mr. Douglas: May I just say to Your Honour that in our opinion this is most definitely a matter of privilege as it affects the rights of members to have committees called. So far as we are concerned, the question has not been cleared up until this committee is called and properly constituted. If it is not called and constituted fairly soon, we will take further measures to bring the matter before the house.

Mr. Olson: In my view, sir, the question of privilege involves more than just whether or not a member of a committee is permitted to call a meeting. The fact is that I formally requested an officer of the house to send notices or do all the things that are necessary to call the meeting together, and to notify the members of the committee that a meeting should be called, and he says he has not authority to call this meeting and is waiting for the government whip to do it. The point is whether this officer of the house acted properly in refusing to send out the notices after I asked him to do so.

Mr. Speaker: In view of the importance which all hon. members attach to this matter, and which I do too, I am sure they will not object if I take the matter under consideration and take time to study the long memorandum submitted by the hon. member for Medicine Hat, reach a decision on it, and report to the house in due course.

[*Later:*]

Mr. E. Nasserden (Rosthern): Mr. Speaker, I move, seconded by the hon. member for Joliette-L'Assomption-Montcalm (Mr. Pigeon):

That with the unanimous consent of the house it be an instruction to the standing committee on agriculture and colonization that they have the power to inquire into the operations and policy and financial structure of the Agricultural Stabilization Act and board and to report to the house their observations thereon.

Mr. Speaker: Has the hon. member unanimous consent of the house?

Mr. Pickersgill: I wonder, sir, if we could see the motion first.

Mr. Speaker: It has been moved by the hon. member for Rosthern, seconded by the hon. member for Joliette-L'Assomption-Montcalm:

That with the unanimous consent of the house it be an instruction to the standing committee on agriculture and colonization that they have the power to inquire into the operations and policy and financial structure of the Agricultural Stabilization Act and board and to report to the house their observations thereon.

Mr. Pickersgill: Mr. Speaker, there is no desire on the part of the government to restrict any inquiry in any way, but this is a rather unusual procedure. I suggest that Your Honour take the motion under advisement, and perhaps that question could be considered on Monday. In other words, if I had to rely on the rules I would say that today there is not unanimous consent; but in an attempt to be as conciliatory as possible I suggest that the question whether such a motion would be in order be considered.

Mr. Speaker: If the house does not give unanimous consent, then I have no option under the rules of the house.

Mr. Frank Howard (Skeena): Mr. Speaker, I wonder whether, during the time you are giving consideration to this matter, you would look at *Hansard* for the last session, wherein I asked unanimous consent to move a motion with respect to the north Pacific fisheries commission, to refer that matter to the standing committee on marine and fisheries. At that time the Secretary of State, then a private member, was the first to jump to his feet to offer unanimous consent.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, before you move on from motions I should also like to ask unanimous consent of the house to move a motion. Perhaps I should read it, and if you want to take it under advisement along with the other that would be acceptable. I move, seconded by the hon. member for Fraser Valley (Mr. Patterson):

That the standing committee on agriculture and colonization be ordered to examine forthwith, and inquire into all matters arising out of and relating to, the difference between the price received for feed grain by the producers in western Canada and the price paid by livestock feeders in eastern Canada; and the said committee report with all convenient speed the observations and opinions thereon.

Mr. Speaker: Once more I must ask whether the house gives unanimous consent.

Mr. Pickersgill: I hope, Mr. Speaker, you will treat this matter in the same way as the other, and take it under reserve.

Mr. Pigeon: We would like the opinion of the Minister of Agriculture today.

Mr. Speaker: I am advised, I am glad to say, that not having received unanimous consent on these two motions, or proposed motions, I should not take them under consideration. I do have to take under consideration the matters raised by the hon. member for Medicine Hat and discussed earlier this day; but I do not take into consideration the two motions which have now been moved unless I have unanimous consent. Not having that unanimous consent I propose not to consider them.

Mr. Diefenbaker: The government having refused.

Some hon. Members: Shame.

Mr. Pickersgill: I can assure you, Mr. Speaker, that the government will give consideration to this matter, and I will make a report to the house on Monday.

Mr. Diefenbaker: Mr. Speaker, so that the record will be clear, the lack of unanimity arises by reason of the Secretary of State (Mr. Pickersgill) speaking for the government.

Mr. Pickersgill: The Leader of the Opposition (Mr. Diefenbaker) is perfectly accurate, sir, in what he says.

Mr. Raymond Langlois (Megantic): Mr. Speaker, these two motions resemble one which I presented yesterday to adjourn debate in this house, and I think the hon. member for Hull (Mr. Caron) got up and sort of blocked off my own motion. Again today the government is again blocking this agriculture matter.

Mr. Speaker: Order. We must proceed with the order of business.

MR. FANE—PROVISION OF SIMULTANEOUS INTERPRETATION IN GALLERIES

Mr. F. J. W. Fane (Vegreville): Mr. Speaker, I rise on a point of privilege. As everybody who sits in this house is aware,

the galleries of the chamber are visited daily by a great number of people who come here to listen to the deliberations of the house. I am informed that many of these people are not adequately bilingual in the two official languages of Canada and therefore cannot follow a debate in its entirety as well as they might wish, with the result that many leave here and express their unhappiness at this condition. They know very well that the members of the house and the press gallery have the advantage of simultaneous translation. Might I suggest that the proper authorities take under advisement the possibility of providing simultaneous translation in the galleries of this chamber.

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I should like to put a question to the Minister of Public Works. Could the minister tell the house whether the government intends to take before long the necessary steps so that the simultaneous translation may be heard in the galleries of the House of Commons?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, the Department of Public Works is considering providing simultaneous translation in the galleries as part of an overall improvement plan for the main block of parliament buildings.

The matter has been under consideration for about two months, and when the departmental engineers have submitted their report, the government will then be in a position to make a decision in this regard.

[*Text*]

BANKING AND COMMERCE

Tenth report of standing committee on banking and commerce—Mr. Asselin (Notre Dame de Grace.)

INDUSTRY

AUTOMOBILES—PLANS TO INCREASE CANADIAN SHARE IN GROWTH

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I wish to announce to the house certain new measures which are being introduced by the government to foster greater production and trade in motor vehicles and parts for vehicles. An order in council has been passed which gives effect to the following measures as of November 1, 1963. They will supersede the provisions of P.C. 1962-1/1536 pertaining to the remission of duties paid on importations of automatic transmissions and stripped engines.

Plans to Increase Automotive Industry

The new measures provide for the remission of duties paid on importations of vehicles and parts for vehicles for use in the manufacture of motor vehicles in Canada.

The remission of duties on imports may be earned through exports of vehicles or parts in excess of exports made during the 12 months ending October 31, 1962. Exports to any country are eligible to earn a credit for remission of duties. Credits may be earned by vehicle manufacturers through exports by themselves or by the parts makers.

One dollar of exported Canadian content will earn the remission of duties on one dollar of dutiable imports. If full advantage of the plan is taken by industry, it could lead to increased production and exports of between $150 million and $200 million annually, and to the remission of duties on an equivalent value of imports into Canada.

The new measures will be in force initially for a period of three years. It is envisaged that a plan of this magnitude will result in substantial investment in new production facilities, and the planning and construction of new machinery and buildings requires a certain minimum time, even when pressed vigorously. The government will wish, however, to review the progress achieved under the plan at the end of three years and to be guided in implementing future measures by the results achieved in the interval.

The objectives of this plan are threefold; first, to increase production and create additional employment in Canada; second, to take an important step to improve Canada's balance of payments position; and third, to give producers of parts for vehicles and producers of vehicles a valuable incentive to achieve longer production runs and a greater degree of specialization, thus assisting them to reduce their costs. The plan involves no restriction to trade. The new measures do not require the enactment of new duties or other restrictive measures. They will be implemented entirely within the context of Canada's trade agreement commitments.

The government believes that the new plan will make substantial new production opportunities available to Canadian automotive industry producers. It should also help them to reduce costs, with benefits to them and to Canadian consumers. Furthermore, it is consistent with Canada's policy of solving our trade and balance of payments problems by constructive measures and not through restrictive actions. Under these new measures trade in both directions will be encouraged.

We feel that this measure will contribute to a greater flow of trade between Canada and its trading partners, and will place Canadian producers in a much better position to compete efficiently and effectively in Canadian and international markets.

Hon. George C. Nowlan (Digby-Annapolis-Kings): Mr. Speaker, I am sure the house listened with a great deal of attention to the rather belated statement we have just heard. This, as we know, has for some days been the subject matter of discussion and controversy in Washington; it has been debated on the C.B.C., and I suppose it is fitting that on the last day of the parliamentary week we should be told in the house what the government proposes to do with regard to this matter.

This is, of course, a very important statement, and the house would not expect or would not want, even if the rules permitted, any discussion of the details of this proposal. This is in some ways in keeping with the program which was laid down by the government of my right hon. friend, now the Leader of the Opposition (Mr. Diefenbaker) in extending—

Some hon. Members: Oh, oh.

Mr. Nowlan: Some people should read their history books, Mr. Speaker.

Some hon. Members: Hear, hear.

Mr. Nowlan: This is in some ways in keeping with the program laid down by the former government in expanding the automobile industry. The first recommendation of the Bladen commission was that the excise taxes on automobiles should be remitted. That was done. The second measure that was implemented just about a year ago—and of course we anticipated something like this had to happen, because the year had almost expired —was when we allowed the duties to be imposed upon automatic transmissions and engines and gave a remission of duty on the equivalent export of parts, such as the minister has suggested is now to be extended still further. I am very glad to see that the minister is apparently following the path and the program which we established.

It has been suggested in other places and other capitals not off the North American continent that this is a terrible violation of GATT and that recrimination and protests are bound to follow. I hope this is not true. I would hope that this is within the framework of GATT, because I am sure the government realizes that it is inadvisable to offend any more people with whom we have to deal in our trading relations.

As I say, Mr. Speaker, this is a very technical matter and I do not propose to discuss it now. I suppose the minister, as Minister of Industry, has no estimates coming before the committee in the next few weeks as have other departments; but as Minister of Defence Production we will have the estimates of his department before the committee, or possibly we can discuss this matter when our friend the Minister of Finance brings his estimates before us. In the meantime we will study the proposal and be able to discuss it in the house at some length at a suitable opportunity.

Mr. Reid Scott (Danforth): Mr. Speaker, on behalf of the New Democratic party I wish to say that we are glad to have this measure placed before us after a great deal of discussion has taken place with regard to it in the public press, over the radio and on television. We recognize that it is an attempt, and I think a sincere one, to try to jolt the automotive production industry in Canada out of its traditional lethargy and bias against the production of automobile parts and equipment in this country for export purposes.

As was said by the previous speaker, the whole matter is one of great complexity, and it is very difficult at this point to even try to assess the response this measure will invoke, mainly because the automotive industry is owned largely in the United States. Therefore you have in effect the same companies producing on both sides of the border, and it is difficult to assess at this stage what type of reaction will follow, because you are not operating in the traditional market place or the traditional situation which might prevail among competing companies.

We have not too much detail this morning, so it is difficult to say what this measure really amounts to, but it does look suspiciously like an export subsidy; because in effect we are making a remission to the companies in return for exports. We are going to remit certain tariffs they are paying on goods they are importing, so to me it looks suspiciously like an export subsidy.

We hope this will not invoke any kind of retaliation from other quarters. We have been told that the United States government is urging the automotive industry in that country to band together to thwart this program. If this takes place it will create a difficulty for this government, and all of us certainly hope it will not happen.

The Minister of Finance, speaking the other evening in Hamilton, indicated that this program is going to be applied to other sectors of the economy. We hope that before this is done a great deal of research will be made available so that all people in Canada will have an opportunity to study it, and we will not get into programs that we may find it difficult at a later date to get out of.

On the whole, Mr. Speaker, it is a very complicated matter. We hope, as the previous speaker said, there will be some opportunity to examine this proposal in depth in the house, that we will have a chance to debate it, because it is a very important innovation in the Canadian community. We therefore hope that at some stage we will have an opportunity to examine this proposal in more detail.

Mr. H. A. Olson (Medicine Hat): Mr. Speaker, the announcement that has just been made by the Minister of Industry is, I think, a new departure in tariff arrangements. It is designed to balance both our trade and our balance of payments position with the United States. We have long pointed to the fact that our balance of trade in commodities and our balance of payments in non-commodity trade has been a problem for Canada and is growing worse year by year. It is impossible at this time to foresee or to even comment on the ramifications which may arise from this new departure. However, we hope it will be successful in balancing our commodity trade and also in assisting our balance of payments position.

[*Translation*]

Mr. Real Caouette: Mr. Speaker, we have listened with attention and interest to the statement made by the Minister of Industry (Mr. Drury). It is time for Canada to break new ground in the field of industry, especially the manufacturing industry.

It is good to hear the government say the time has come to encourage the manufacturing of automobile parts in Canada and to see it take a step in that direction at last.

Something we do not like, however, is intervention on the part of the American secretary of commerce, Mr. Luther Hodges, to the effect that he probably would have to make reprisals to offset Canada's decisions. I am not anti-American, far from it. I am pro-Canadian, and I feel the United States should be glad to see other countries, including ours, show some initiative of their own. What we want from those people is not so much financial help as technical assistance to enable us to do through our own efforts what can be done in our own country.

Therefore, I sincerely congratulate the government for taking this initiative.

Although the hon. member of the Conservative party who spoke before me stated that this program had been developed by his own party, it remains that the Conservatives, when they were in office, neglected to put it into effect, whereas today the government is taking that responsibility.

And I, for one—and this goes for all the members of the group I represent here—am satisfied and happy to note that the minister has taken such action.

[*Text*]

LABOUR RELATIONS

CONTINUATION OF CONTROL BY OFFICERS OF SEAMENS UNION

On the orders of the day:

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, the Norris commission report at page 306 recommended that:

> —the president and other senior officers of the S.I.U. of Canada, including the present administrator of the S.I.U. welfare plan, should not be continued in office or employment in the union.

In view of that recommendation, would the minister say whether Mr. Banks has any basis for the statement he is reported to have made last evening to the effect that the trustees have informed him that he will remain in office or in control of the S.I.U.; and furthermore, would he comment on the interpretation thereof on the radio that there would be no interference in the internal operations of the S.I.U.? Would the minister take the house into his confidence and tell the house what passed between the trustees and Mr. Banks? In addition, so that we will have a clear picture, would he table the order in council appointing the trustees, if that has not already been done, and would he table the letter allegedly written by him whereby certain undertakings were given to the S.I.U.?

Hon. A. J. MacEachen (Minister of Labour): Mr. Speaker, first of all I want to make it perfectly clear that I have written no letter to the S.I.U. at any time containing any undertakings. I did send a telegram to the president of the S.I.U. drawing to his attention one particular clause in the bill passed by parliament, and I think that telegram was printed in the press a couple of days ago. I want to make that perfectly clear.

Mr. Diefenbaker: Has that been tabled?

Mr. MacEachen: I would be glad to make it available. As I recollect it, it has been made available to the press and it is open to anyone to see its exact terms, which simply rely on one particular clause of the bill.

I think I should make clear the status of the board of trustees established by parliament. Mr. Justice Dryer made it clear yesterday to the press, as I understand it, that the board of trustees is responsible to parliament and not responsible to the Minister of Labour. I share that view. The board of trustees in its operation is independent; it is

not under the direction of the minister or responsible to the minister except as provided in the act passed by parliament.

I wish to make it clear also that I have not talked to the trustees since the preliminary meeting, held the night before last, at which they made two decisions. I think I should explain that I attended this meeting along with officials of the department in order to assist the trustees to familiarize themselves with the legislation and to provide other material to them. At the time when they felt they ought to take decisions, they withdrew to a separate room to make their own decisions outside my presence, or the presence of any officials of my department, in order to emphasize their independence.

Since that meeting I have had no conversations with any members of the board of trustees, nor have I talked to them or received any report from them. I will say this, however; I have full confidence that the trustees will discharge their duties in accordance with the authority granted them by parliament.

Mr. Diefenbaker: A supplementary question. Were any such undertakings given as alleged by Mr. Banks, namely that he and his officers are to remain? That was the question. I also asked about the tabling of the order in council setting up the board of trustees and the particular message which was sent by the minister.

Mr. MacEachen: I have already answered the first question. I have no knowledge, nor shall I ask the trustees in their particular capacity to report to me, since they are now in a sense officers of five unions, as to their day to day conversations with any person with regard to the internal operations of their unions. I have no knowledge, as I have stated, of any conversations; and if the leader of the opposition wishes to rely upon the statements of Mr. Banks as reported in the press, that is his business.

Mr. Diefenbaker: Banks said so.

Hon. Michael Starr (Ontario): In view of the explanation and information which the minister has given to the house, would he also advise us as to how parliament is to be informed, or how the trustees are to report to parliament if not through some minister of the crown?

Mr. MacEachen: That particular matter is covered in the legislation.

[*Later:*]

Mr. Donald MacInnis (Cape Breton South): Mr. Speaker, I have a question for the Minister of Labour. In answer to the question put to him by the right hon. Leader of the Opposition the minister indicated that the trustees are now the officers of the five unions. In my opinion, in the trusteeship legislation just recently passed it was the desire of the house to rid the S.I.U. of Mr. Hal Banks; and considering the fact that the minister now says the trustees are the officers of the five unions—

Some hon. Members: Question.

Mr. Mandziuk: Just wait; take your time.

Mr. MacInnis: Is it all right to go on, Mr. Speaker? In that the trustees are now the officers of the five unions, does the Minister of Labour think it is right he should now be further consulting with Hal Banks, when it was the desire of the house and the country to get rid of him?

Mr. MacEachen: First of all, Mr. Speaker, I want to make it absolutely clear I have not had any communication with Mr. Banks, and made a deliberate effort to avoid any communication with Mr. Banks from the moment that management and control of the unions were vested in the trustees. I followed that course quite carefully. I want to make it clear that I have stated that because the management and control of the five unions are vested in the trustees, these trustees are now acting in a capacity as if they were union officers.

Mr. MacInnis: As a supplementary question, when the right hon. Leader of the Opposition referred to correspondence, did not the minister inform the house that he had not written but that he had wired Mr. Banks?

Mr. MacEachen: Yes, Mr. Speaker, but this wire was exchanged the day before, as I recall it.

Mr. Diefenbaker: The day before what?

Mr. MacEachen: The day before proclamation of the trusteeship. The following day there was a reply to my wire, and I refused to acknowledge the wire from Mr. Banks because as of that day the management and control of the unions had vested in the trustees—

Some hon. Members: Hear, hear.

Mr. MacEachen: —and since then I have not been in touch with Mr. Banks.

Mr. MacInnis: As a further supplementary question, in that the minister has indicated to the house that he personally is not responsible but the trustees are responsible to this house, does he not think it is his place to advise the trustees that this house does not want to deal any longer with Hal Banks and

should govern themselves accordingly? This was parliament's wish as indicated by the legislation.

Mr. Nicholas Mandziuk (Marquette): As a further supplementary question to the Minister of Labour, according to press reports Mr. Banks has made the statement that he is still the president of the union and is to continue as such. Is he going to be an agent of the trustees or their servant, or in what capacity is he going to retain the presidency?

Mr. MacEachen: As I have stated, the management and control of the maritime transportation unions are vested in the trustees, and this is a matter for determination by the trustees within the authority granted to them by parliament.

Mr. Mandziuk: But does not Mr. Banks' statement indicate that he is still going to run the union?

Mr. MacEachen: As I have said, if my hon. friends want to rely on reported statements made by Mr. Banks, that is their business.

Mr. Diefenbaker: The present government relied on Banks' statements.

Mr. T. C. Douglas (Burnaby-Coquitlam): Mr. Speaker, may I direct a question to the Minister of Labour. Under the trusteeship legislation section 18 provides that the governor in council may make such orders or regulations as he deems necessary for carrying out the purposes and provisions of the act. Have any orders or regulations yet been passed by the governor in council and, if so, will they be tabled?

Mr. MacEachen: No, sir, no orders or regulations have been passed.

[*Later:*]

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of Labour. When the minister answered an earlier question put to him by the hon. member for Ontario about the minister reporting to parliament on behalf of the trustees, we were told that this is provided for in the legislation. The minister will recall that this answer was applauded from his side of the house.

Based on another look at that legislation, may I ask the minister if that means we will get a report only within the first three months of 1964, and then only once a year; or will the minister remember his promise to the house as recorded on page 3504 of *Hansard* for October 11, that if it seemed necessary he would get an interim report and make it to the house? In view of that promise, will the minister consider getting an interim report from the trustees and making a statement to the house early next week?

Mr. MacEachen: Mr. Speaker, the trustees are obligated under the act, as my hon. friend is aware, to make certain reports. It seemed to me that a legal obligation is imposed—

Mr. Diefenbaker: Once a year.

Mr. MacEachen: —in that way.

Mr. Knowles: Once a year.

Mr. MacEachen: I would be glad to discuss with the chairman of the board of trustees, at the earliest possible time, a method by which interim reports might possibly be made to the house. But I question whether it would be desirable, within 48 hours of these gentlemen having taken over their responsibilities, to ask them for an interim report. I would hope that hon. gentlemen would not expect, in any such report, to be informed of conversations which the board of trustees, in exercise of their responsibilities, have had with any individual or heads of any of the five unions.

This is what I had in mind when replying to the question earlier, not an interim report on the general activities of the trustees.

Mr. Knowles: A supplementary question, Mr. Speaker. Would the minister note that my request was that he consider making an interim report early next week after the trustees had had a few days to get things going. Will he at that time try to report to us whether they are acting as trustees as required by the statute, or whether they are just acting as monitors?

Hon. J. W. Pickersgill (Secretary of State): Mr. Speaker, before the minister answers I should like to raise a point of order. I raise it because the hon. gentleman is an old and distinguished member of the house and is familiar with the rules.

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

Mr. Speaker: I am sorry; there is a point of order before the house at the moment.

Mr. Pickersgill: My point of order, sir, is that it would appear to me that what the hon. gentleman is doing is seeking to engage in a debate on the meaning of an act recently passed by this parliament, not seeking information about the conduct of the government in accordance with the rules under which questions are asked in this house. I ask Your Honour to take this matter under advisement, as I did once before, and see whether perhaps all hon. members should not be reminded of

the purpose of the question period, as was done by the hon. member for Edmonton West on several occasions in the last parliament.

Mr. Knowles: Mr. Speaker, on the point of order, if it is a point of order, I suggest that I have a point of privilege. This house was told by the government to read the act, and that the only reports we could expect were those provided for by the act. On a point of privilege, I would remind the minister—

Mr. MacEachen: No such statement was made by me today.

Mr. Knowles: As a matter of fact, if the Secretary of State had not come to the assistance of the Minister of Labour he would have been better off. I rose to remind the Minister of Labour of the promise he made to the house on October 11, that if an interim report seemed necessary he would get it and make a statement to the house. All I did was to remind the minister of his promise, and he agreed to keep it. The Secretary of State would have been well to remain in his seat.

Mr. MacInnis: Mr. Speaker, a further supplementary question to the Minister of Labour. In the answer he has just given to the hon. member for Winnipeg North Centre he referred to the fact that he did not think it was necessary that the trustees should report back any conversations they may have had with the heads of the five unions. Can this be interpreted as government recognition of Hal Banks continuing in office?

[*Later:*]

Mr. Diefenbaker: Mr. Speaker, as apparently we cannot get any information on whether Banks had an undertaking from the board of trustees, possibly the Minister of Justice could tell us whether final consideration has been given by the government to the laying of charges against Mr. Banks. We have been trying to get this information for days. The indication today is that Banks is still the pampered pet of the government.

Hon. Lionel Chevrier (Minister of Justice): Mr. Speaker, I have stated in the house that this matter has been, and is, under active consideration. I know and believe that because of the circumstances the house will take my word. I must add that under my responsibilities as Minister of Justice, further comment on my part at the moment would not be in the public interest.

Mr. H. A. Olson (Medicine Hat): A supplementary question. I should like to ask the Minister of Justice whether he would give an undertaking to the house that tonight when his estimates are called he will come prepared to give an answer to this question, and also give a report respecting the investigation into the circumstances surrounding the beatings suffered by several seamen aboard a train earlier this week, so that we do not have any more of these answers where the minister says "I can say no more at this time" after in fact he has said nothing.

Mr. Chevrier: In answer to that question I must say that so far as the beatings on the train are concerned I have inquired from the Royal Canadian Mounted Police, who tell me that this is a matter of assault, that it has nothing to do with the strike, and that the matter is under investigation by the Ontario provincial police. I am also informed by the R.C.M.P. that the individual who was assaulted refuses to make any statement in connection with the matter. So far as the other aspect of the matter is concerned—

Mr. Douglas: They are all scared to make a statement.

Mr. Chevrier: —I am afraid my position tonight will be the same as it is now with regard to the matter asked by my hon. friend. I will be glad to deal with it as far as I can, but I will go no further.

SUGAR

ACTION TAKEN WITH RESPECT TO RISING PRICES

On the orders of the day:

Mr. T. C. Douglas (Burnaby-Coquitlam): May I direct a question to the Prime Minister. In view of the fact that the price of sugar has doubled in the past year and has now reached a 43 year record, I wonder if the Prime Minister has seen a statement by Mr. A. E. Beeby of the Salada Foods Company that there is no world shortage of sugar, and that these skyrocketing prices are due entirely to speculators who are making a killing at the expense of the consuming public. I should like to inquire what action the government proposes to take in order to make sure the public is not being exploited by the sugar monopolies in this country.

Hon. Lionel Chevrier (Minister of Justice): I anticipated a question of this nature, and I asked the director of research to supply me with an answer. I have this reply with respect to the present situation. Refiners' prices at Montreal yesterday, October 24, reached $18.30 per 100 pounds, having increased steadily from $10.60 on August 27, the lowest price reached following the price rise in May.

Available information on the raw sugar situation indicates that because of increasing world consumption and because of production

difficulties there is unlikely to be any immediate improvement in the supply position, and with this persisting condition the world price of raw sugar will probably continue at high levels. The increase in Canadian sugar prices is attributable to the increase in world raw sugar prices. In view of commonwealth arrangements, however, no physical shortage of sugar in Canada is anticipated.

With respect to the last part of the question, I can only direct the hon. member's attention to what the Prime Minister said in this house on May 31 and to what I have said in reply to questions from time to time, namely, that there is a constitutional aspect to the matter; it is the provinces, not this parliament, which have jurisdiction over prices in peacetime and if any law or regulation were to be made limiting prices it would have to be made by the provinces. If hon. members feel that action of this kind is necessary in the present circumstances to protect consumers, their pleas, observations and requests in connection with the matter should be addressed to the provincial governments, which alone have the power to set limits on prices.

Mr. Douglas: Could I ask the minister whether it is not the case that price fixing by monopolies and cartels does come under the control of his department? Further, is the situation being carefully watched, in view of the fact that not only is the price of imported sugar being increased but the price of domestically produced sugar is being increased, and it is being sold at a price to which is being added both the freight rates and the world price increase. Is the minister's staff in the restrictive trades practices branch fully aware of this situation, and are they carrying on a thorough investigation into it?

Mr. Chevrier: The answer to the first part of the question is yes. It is the responsibility of the director to see that no monopoly exists and having regard to this, the director, through the officers of the department, has already prosecuted three if not four companies. A report of those prosecutions which were successful, was made to the house on an earlier occasion. As far as western Canada is concerned there has been a prosecution which was not successful.

The answer to the hon. gentleman's second question is that the director is keeping the matter under close surveillance and if he becomes aware of any circumstances which warrant prosecution he will act accordingly.

Mr. Douglas: Would the hon. gentleman consider bringing in amendments to the Combines Investigation Act to increase the fines which must be imposed? My impression is that the fines imposed on the sugar companies after the last convictions obtained by the department were so small that they amounted to only a fraction of a cent a pound on the exploitation which was perpetrated on the public.

Mr. Chevrier: I understand that under the act as it now stands the amount of the fine is unlimited. However, I can tell the hon. member that there is a departmental committee presently studying the question of possible amendments to the Combines Investigation Act. I have not seen the final report, but when it is forthcoming I will give it consideration in order to see whether legislation should be brought before this house.

Mr. W. H. Jorgenson (Provencher): Would the government give consideration to passing legislation enabling them to set up a trusteeship over the sugar refiners so as to avoid this speculation? I wonder also whether the government has given consideration to enabling the sugar beet growers of Canada to obtain a larger share of the market, thereby preventing these violent fluctuations in price.

Mr. Chevrier: Mr. Speaker, I do not think the first part of the hon. member's question requires any reply. As to the second part, I cannot add anything more to what I have already said.

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I have a supplementary question—

Mr. Prosper Boulanger (Mercier): Mr. Speaker, I would like to direct a question—

Mr. Speaker: Order. I understand the hon. member for Lapointe wishes to ask a supplementary question?

Mr. Gregoire: Yes, Mr. Speaker.

Under the existing circumstances, does the Minister of Justice intend to suggest that Canada pull away from the satellite course it has been following around London and the London sugar exchange, so that our country would have a free hand to look for alternative sugar markets and thus avoid increases in the price of sugar similar to the ones we are experiencing at present?

Mr. Chevrier: Mr. Speaker, under the provisions of the act, as adopted by parliament, any action in that field is the responsibility of the director of research. Besides, as I have often stated, if the director feels that there is a combine between various companies, he is the one who can institute proceedings against them.

[*Text*]

Mr. Raymond Langlois (Meganlic): Mr. Speaker, may I put the question to the Minister of Justice in a different way. Does the government intend to stop the racketeers in the sugar business, or does it not?

Mr. Speaker: Are there any more supplementary questions on the question of sugar?

Mr. Reid Scott (Danforth): A supplementary question, Mr. Speaker. I wonder whether the Minister of Justice, in his endeavours to deal with this very difficult problem, would mind directing the attention of this committee to the situation in England, where the institution of a sugar board and the use of long term contracts have enabled the government to protect the people of Britain from this type of price manipulation rather than worrying about trying to catch up with the offenders, which is often very difficult to do.

Mr. Chevrier: I can assure my hon. friend that the director of research has already given consideration to that matter, and I believe he has even gone to the United Kingdom to ascertain what the situation is there in order to see if advantage could not be taken of the experience in that country.

Right Hon. J. G. Diefenbaker (Leader of the Opposition): Mr. Speaker, with further reference to the sugar question may I say that I brought the situation to the attention of the minister on May 27 this year, as found at page 286 of *Hansard*. I should like to ask him this question. What has been found to be the situation regarding the some 400 million pounds of sugar that were in storage which, as a result of the tremendous increase in price, brought to certain wholesalers or those operating refineries a windfall of a minimum of $6 million? Does the minister not feel that the raising of the price by these people who had sugar in storage, and doing so uniformly, constitutes an offence?

Mr. Chevrier: Mr. Speaker, I remember the question which the right hon. gentleman put to me at that time, to which I made a reply. Unfortunately I cannot remember the details of the reply, but I do remember that the information I received from the director of research was that the matter was being given consideration and that if any charge was indicated in the light of what the hon. gentleman had stated, action would be taken. My recollection was that no action was taken.

I am not in a position to substantiate the preamble to the hon. member's question. He has made that statement. It was studied by those who are in authority, but I am not in a position to accept it from the point of view of its reliability.

[Mr. Chevrier.]

Mr. Diefenbaker: Mr. Speaker, I ask the hon. gentleman then to get figures showing the amount of sugar in storage, which I have said was some 400 million pounds. The rise in the price of sugar of 5, 6, 7, 8 or 9 cents a pound brought a tremendous windfall to a few people. Is it not a fact that it is an offence when any person agrees with others to raise the price uniformly while they have in their possession at the time a surplus of a product? Is that not an offence?

Mr. Chevrier: Mr. Speaker, there is a question of law involved in what my hon. friend has stated. As I indicated, I cannot add anything to what I have already said; but I would point this out to the house. Notwithstanding the many questions that are being posed now, the house knows that tonight at seven o'clock I am going on with the estimates of the Department of Justice, and I will welcome any of these questions. While they should be allowed on orders of the day, surely there is some limit to the extent to which they should be posed, and I will be ready to deal with them tonight.

Mr. Frank Howard (Skeena): A supplementary question.

Mr. Speaker: Is it on the question of sugar again? We have had a great many questions. The hon. member has heard the explanation of the Minister of Justice, and I wonder whether further questions on this matter could not be postponed until seven o'clock tonight.

Mr. Howard: What I wish to ask the minister is a little different. Is it not a fact that all the words that have poured out of him are merely to cover up the fact that the government intends to do absolutely nothing?

Some hon. Members: Rubbish.

Mr. Chevrier: I cannot allow the statement to go unchallenged that absolutely nothing has been done when three, if not four, corporations have been prosecuted successfully by the director of research.

Mr. Diefenbaker: Not for these offences.

Mr. Speaker: Order. I feel we are entering upon a debate. We have had a very full discussion of the matter, and an opportunity will be provided at seven o'clock to pursue it further.

NATIONAL DEFENCE

NATO—POSSIBLE REDUCTION OF CANADA'S NAVAL CONTRIBUTION

On the orders of the day:

Hon. D. S. Harkness (Calgary North): Mr. Speaker, I should like to direct a question to the Minister of National Defence. Has the

government made a decision to reduce Canada's naval contribution to NATO?

Hon. Paul Hellyer (Minister of National Defence): No, Mr. Speaker.

Mr. Harkness: A supplementary question. Has the government plans which will enable the ships now wearing out and which during the course of the next five or six years will have to be retired to be replaced in time so that we can continue to meet our commitment to NATO?

Mr. Hellyer: Mr. Speaker, we have the ships to meet the commitment we now have. We are urgently working on plans in respect of any future commitments for a later time.

Mr. Harkness: A further supplementary question. Is the minister not aware that it takes several years to initiate and carry to completion a naval program, and that if such a program is not started immediately there will be no possibility of our continuing to provide the number of ships we have been providing?

Mr. Hellyer: I am very much aware of that, and I am also very much aware of the fact that if you initiate the wrong program it takes quite a few years to undo it.

Some hon. Members: How about the Arrow?

COMMITTEE CONSIDERATION OF PROGRAM OF AIR BASE ABANDONMENT

On the orders of the day:

Hon. J. A. MacLean (Queens): I should like to ask the Minister of National Defence if he can assure the house that no final decision will be taken on the proposed drastic program of abandoning defence bases as part of the minister's current austerity program until the special committee on defence has had an opportunity of examining the whole matter?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, there are a great many proposals involved in our current review. I am sure that most of them will not be finalized in any respect before the committee has had a chance to make its final report later in the session.

Mr. MacLean (Queens): May I ask a supplementary question. Can the minister assure the house that the government is not contemplating the closing down of the R.C.A.F. station at Summerside?

Mr. Hellyer: I cannot give a categorical assurance. I do fully appreciate the views of my hon. friend and many other hon. gentlemen, including particularly the Solicitor General, in respect of this proposition, which is not one that the government has put forward but which has come from another source.

Hon. Gordon Churchill (Winnipeg South Centre): May I ask a supplementary question of the minister. What other groups have made a proposal that air bases be discontinued in this country? Does this come from foreign sources? Would the minister please advise the house?

Mr. Hellyer: I think it comes from the opposition, Mr. Speaker.

Mr. Diefenbaker: That is a complete falsehood, and the minister knows it.

PENITENTIARIES

ST. VINCENT DE PAUL—REPORTED DELAY IN RECONSTRUCTION

On the orders of the day:

[*Translation*]

Mr. Jean L. Rochon (Laval): Mr. Speaker, I should like to put a question to the Minister of Public Works.

Would he have any comments on the press reports, especially in the Montreal newspapers, to the effect that the prisoners at the St. Vincent de Paul penitentiary complain about the delays in the work now under way?

Hon. J. P. Deschatelets (Minister of Public Works): Mr. Speaker, I read various press reports to that effect. The architects of the Department of Public Works have kept a close watch on this work since its inception, and I never heard any report to the effect that delays were occurring.

I understand that this reported complaint about the slowness of the work stems from comments obtained from some inmates. I realize that works on such a large scale in a penitentiary such as St. Vincent de Paul, would be carried out at a slower pace than those of an ordinary building.

In any event, this morning I asked the inspectors of the public works department to send me a report in that respect. Furthermore, we have contacted the warden of the penitentiary and a visit has been scheduled for next Wednesday when, with various architects of the department, we shall go and find out for ourselves.

[*Text*]

CANADIAN NATIONAL RAILWAYS

REPORTED PROVISION OF TRAILERS TO TRUCKING COMPANIES

On the orders of the day:

[*Translation*]

Mr. Gerard Laprise (Chapleau): Mr. Speaker, my question is directed to the Minister of Transport.

Inquiries of the Ministry

Could the minister tell us whether it is the C.N.R. policy to supply some private trucking businesses with its own trailers for highway transportation, as was the case recently, which is quite unfair?

[*Text*]

Mr. Speaker: This is a question for the order paper.

TRANSPORT

SUGGESTED SHIPPING OF GRAIN TO RUSSIA DIRECTLY FROM LAKEHEAD

On the orders of the day:

Mr. D. M. Fisher (Port Arthur): Mr. Speaker, I should like to ask the Minister of Transport a question with reference to an understanding I have that he is meeting today with a delegation from the U.S.S.R. regarding the transportation of grain to Russia. I should like to ask him whether he or his officials have under consideration any proposals that would lead to ocean-going vessels, Russian or chartered, going directly to the lakehead for the rest of the shipping season in order to carry grain and relieve the congestion on the rails and amongst lake traffic.

Hon. G. J. McIlraith (Minister of Transport): No, Mr. Speaker, no such program is under consideration at the moment. I do not agree with the latter part of the hon. member's assertion that it would in any way increase the total amount of shipments.

WESTERN ONTARIO—PROTEST AGAINST FURTHER REDUCTION IN RAIL SERVICE

On the orders of the day:

Mr. Eric A. Winkler (Grey-Bruce): Mr. Speaker, I have a question for the Minister of Transport. Because of the implications and the importance to the economy of western Ontario, will the minister assure the house that there will be no further curtailment of rail service in that area?

Hon. G. J. McIlraith (Minister of Transport): Mr. Speaker, I could hardly give the assurance in that form, but I will immediately look into the whole matter and find out from the railways and the board of transport commissioners what the situation is. I am aware of the concern this matter raises throughout many of the municipalities in western Ontario, and I will give the matter very close attention.

INQUIRIES OF THE MINISTRY

On the orders of the day:

[*Translation*]

Mr. Auguste Choquette (Lotbiniere): Mr. Speaker, I should like to put a light question to the Minister of Justice.

[Mr. Laprise.]

Could he tell us if the fact, for a Liberal member, of attending a Social Credit dinner without an official invitation is considered an offence which should be referred to the R.C.M.P.?

Mr. Lambert: This is ridiculous.

[*Text*]

On the orders of the day:

Mr. Raymond Langlois (Megantic): I have a question to direct to the Minister of Trade and Commerce. Does the Minister of Trade and Commerce have before him consideration of the possibility of exchanging Canadian wheat directly for Cuban sugar instead of letting the Russians do it?

Some hon. Members: Order paper.

REDISTRIBUTION

INQUIRY AS TO INTRODUCTION OF LEGISLATION THIS SESSION

On the orders of the day:

Mr. Andrew Brewin (Greenwood): Mr. Speaker, my question is for the Secretary of State. In the light of the statement in the speech from the throne that redistribution of electoral districts is overdue and this house will be asked to authorize the establishment of a commission to undertake this important task, will the Secretary of State tell the house what steps are being taken to implement this undertaking so the proposed redistribution might be implemented before the next general election?

Hon. J. W. Pickersgill (Secretary of State): I welcome this particular question because I had hoped, and I still hope, before the end of this week to initiate discussions with hon. gentlemen on the other side of the house with a view to ascertaining the best way of proceeding with this legislation. I feel we all have a duty to co-operate in this matter because it is the constitutional obligation of parliament to get through with it at this session.

HEALTH AND WELFARE

REQUEST FOR CONSIDERATION OF PROBLEMS OF THE AGED

On the orders of the day:

Mr. Stanley Knowles (Winnipeg North Centre): Mr. Speaker, may I direct a question to the Minister of National Health and Welfare. In view of the facts about conditions under which a great many old people in Canada live which are being brought out by a committee of the other place, can the minister say whether the government will

speed up its attack on the problems of the aged such as security, housing and health, and let this house deal with these matters at an early date?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): Mr. Speaker, I do not fully appreciate the import of the hon. gentleman's question. We have, as all hon. members are well aware, taken the first step toward alleviating some of the difficulties of the aged by increasing the old age security pension to $75, which increase goes out for the first time this month. I am not certain to what other legislation my hon. friend refers, unless it is the Canada pension plan.

Mr. Knowles: May I then ask a supplementary question. Will the minister take a look at the report of a speech made to the committee of the other place by Professor John Morgan of Toronto? Since she has referred to the Canada pension plan, can she say whether, in view of the changes to be made in connection with the plan, she will ask the house to go ahead with the resolution now on the order paper, or is she going to place another one on the order paper, and if so when?

Miss LaMarsh: It is obvious, Mr. Speaker, that the resolution now on the order paper cannot be proceeded with in its exact form since it does include a reference to the $10 increase. However, I should like to assure my hon. friend and all members of the house that the government still has the interest it always had in the Canada pension plan and intends to proceed, in co-operation with the provinces, with discussions in November at the provincial conference.

Hon. J. W. Monteith (Perth): May I ask the minister if she has received representations from individuals or organizations, primarily organizations representing the blind and the disabled, requesting a similar $10 increase in pension to that received by the aged?

Miss LaMarsh: I have had representations from the blind and disabled from time to time since I assumed the ministry, but not since the increase in old age pensions.

[*Translation*]

Hon. Theogene Ricard (St. Hyacinthe-Bagot): A supplementary question, Mr. Speaker. Would the minister inquire as to whether it is true that the social allowances commission of Quebec would reduce the supplementary assistance granted to some pensioners, because of the $10 increase in old age pensions, as is reported in a letter signed by the said commission and published in the newspaper *Montreal Matin* on October 24, 1963?

[*Text*]

Miss LaMarsh: Mr. Speaker, if I understood it correctly, what my hon. friend is asking about is a reduction in family allowances. As hon. members are aware, there has been no reduction in family allowances.

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker, I think the minister has misunderstood the question. The question of the hon. member was a request for an investigation into the alleged practice by the social allowances commission of Quebec to reduce by $10 the supplementary pension paid to certain pensioners by reason of the rise of $10 in the universal old age pension.

Miss LaMarsh: I have not heard of this allegation before, but from what my hon. friend says it would appear to me to be a matter of provincial rights. However, I will ascertain whether or not there is any federal responsibility.

SKIM MILK—INCIDENCE OF STRONTIUM 90

On the orders of the day:

Mr. Colin Cameron (Nanaimo-Cowichan-The Islands): Mr. Speaker, I have a question for the Minister of National Health and Welfare based on a report in the newspapers that part of the aid Canada is providing to some of the devastated areas in the world is in the form of dried milk. In view of the recent report of the minister's department of the increase by a factor, in some instances of four and five, in the incidence of strontium 90 in milk, has her department been called in to examine these shipments before they are sent to these parts of the world?

Hon. Judy V. LaMarsh (Minister of National Health and Welfare): I am not sure of that, Mr. Speaker. I know that my department was brought into the picture, by the United Nations authorities, in conjunction with departments of agriculture and external affairs with respect to this matter. I am not certain whether any particular check was taken on it. I do not know how long this powdered milk has been in existence, but I would be glad to find out for my hon. friend.

UNITED NATIONS

NUCLEAR WEAPONS—EXTENSION OF BAN TO UNDERGROUND TESTS

On the orders of the day:

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, yesterday a question was addressed by the hon. member

for Queens (Mr. Macquarrie) to the Prime Minister with regard to a reported resolution of the non-aligned members of the Geneva disarmament committee to extend the nuclear test ban to its completion by covering underground tests. He asked what was the attitude of the Canadian government toward this resolution.

The resolution, which has not yet been circulated, is designed to encourage the nuclear powers to renew their efforts to reach a mutually acceptable agreement on a comprehensive test ban treaty. The Canadian delegation is now in consultation with all of the sponsors of the proposed resolution in the hope that it can be a resolution that will be sponsored by all the 18 members of the disarmament committee, who have been parties to the discussions in Geneva.

PRIVILEGE ACCORDED PRIME MINISTER IN MAKING SPEECH

On the orders of the day:

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, I have a question for the Prime Minister. Having followed some of the debates in the United Nations, I had occasion to observe that when the delegates are addressed by a head of state, the latter is allowed to have his seat placed onto the platform. Marshal Tito availed himself this week of that privilege.

However, when the Prime Minister of Canada spoke recently at the United Nations he was not granted the same courtesy. Could he explain why, on that occasion, the Prime Minister of Canada did not receive the same treatment as the other heads of state?

[*Text*]

Right Hon. L. B. Pearson (Prime Minister): Yes, Mr. Speaker, this is a privilege that is traditionally reserved at the United Nations for heads of state. I am not yet, Mr. Speaker, a head of state; but I was approached by the secretary general who asked me whether, in view of the fact that I had been president of the general assembly and even though I was only a head of government, I would accept this particular courtesy. However, I preferred to speak in the ordinary way, as head of a delegation.

Some hon. Members: Hear, hear.

[*Translation*]

Mr. Gregoire: I have a supplementary question, Mr. Speaker.

Could the Prime Minister tell us who, at the present time, is the Canadian head of state, and how often did he enjoy the special privilege which is granted to heads of state when he had occasion to speak at the United Nations? Besides, could he inform us what Canadian representative is entitled to that privilege?

[*Text*]

Mr. Pigeon: Mr. Kennedy.

Mr. Pearson: Mr. Speaker, the head of state in Canada is the Governor General.

[*Translation*]

Mr. Gregoire: Mr. Speaker, I have a supplementary question—

[*Text*]

Mr. Speaker: If it is really important and urgent, but—

[*Translation*]

Mr. Gregoire: I feel it is important, as Canada is a member of the United Nations and the Canadian delegates to the United Nations would like to see Canada on an equal footing with the other countries of the world.

Moreover, we think that when the Prime Minister of Canada delivers a speech at the United Nations he should get the same treatment and be entitled to the same privileges as those that are given to the other heads of state.

[*Text*]

Some hon. Members: Order.

Mr. Chevrier: He is doing exactly the same thing you have been doing all morning. Don't complain about it; that is what you have been doing all morning.

Mr. Speaker: Order. This is not a matter that should be discussed on orders of the day.

[*Later:*]

[*Translation*]

Mr. Gerard Girouard (Labelle): Mr. Speaker, I have a question for the Secretary of State for External Affairs.

Can the minister tell the house if the privilege referred to by the hon. member for Lapointe is granted to the British Prime Minister or to the Queen only, when Great Britain speaks at the United Nations?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, I think the Prime Minister has answered this question.

An hon. Member: No, not that one.

Mr. Girouard: A supplementary question, Mr. Speaker. The Prime Minister answered from the standpoint of Canada, but my question refers to Great Britain itself.

Mr. Gregoire: Mr. Speaker, a supplementary question—

[*Text*]

Mr. Speaker: I was about to rule that question out of order. Consequently there is no supplementary.

[*Translation*]

Mr. Gregoire: Mr. Speaker, may I this time direct the question to the Prime Minister?

[*Text*]

Mr. Speaker: I am sorry, but the hon. member must know that when a decision is given by the Chair it should, I hope, be accepted by the house.

[*Later:*]

[*Translation*]

Mr. Gregoire: Mr. Speaker, may I put a question to the Prime Minister?

Does the Prime Minister intend to have the necessary amendments made to the Statutes of Canada so that the head of state recognized by the United Nations will be the man who will speak on behalf of the Canadian government and not a person—

[*Text*]

Mr. Speaker: Order. I have already ruled that this question is out of order, and it is doubly out of order now.

NORTHERN AFFAIRS

NORTHWEST HIGHWAY SYSTEM—TRANSFER TO PUBLIC WORKS DEPARTMENT

On the orders of the day:

Mr. Erik Nielsen (Yukon): Mr. Speaker, I have a very urgent question for the Minister of National Defence, the answer to which will have very serious and far reaching economic implications in the city of Whitehorse and the Yukon generally. In view of widespread and persistent rumours in Whitehorse and elsewhere in the Yukon to the effect that the Department of National Defence is transferring its complete responsibility for the maintenance of the Alaska highway system to the government of the Yukon Territory, can the minister inform the house whether the Department of National Defence will be relinquishing these maintenance responsibilities, and make a statement as to the details thereof?

Hon. Paul Hellyer (Minister of National Defence): Mr. Speaker, I should like to thank the hon. member for giving me notice of his intention to ask this question, and in reply may I say that the government has decided that responsibility for the northwest highway system should be transferred from the Department of National Defence to the Department of Public Works next spring.

As hon. members know, this highway was constructed by the United States government during world war II as a military requirement, with the Canadian army taking control of that section of the highway in Canadian territory on April 1, 1946. Today there is more commercial than military significance for the maintenance of the highway, and for this reason the decision has been made.

Arrangements between the two departments for the hand-over are now being made, and a joint party will be proceeding to Whitehorse shortly to work out the details.

Mr. Nielsen: As a supplementary question, does the minister's reply mean that a phased withdrawal of the several hundred army personnel in Whitehorse and the Yukon will take place, and could he indicate the extent of such withdrawal?

Mr. Hellyer: Yes, eventually all army personnel will be withdrawn, but the timing of such withdrawal will have to be worked out with the Department of Public Works.

Mr. Nielsen: I have one further supplementary question. Will the civilian labour force maintaining the highway, some 2,400 workers, be affected, and if so to what extent?

Mr. Hellyer: I would not expect so, but the actual details will depend on the Department of Public Works as it takes over.

POWER

COLUMBIA RIVER—INQUIRY AS TO RENEGOTIATION OF TREATY

On the orders of the day:

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, after 10 days of most unusual and trying restraint, I wish to direct a question to the Secretary of State for External Affairs. My question is based on the fact that I have 2,000 constituents who have been kept in a state of suspense for over three years as to their future way of life. Can the minister inform the house what is the cause for the continued delay in the resumption of negotiations on the Columbia river, and give us some details as to their resumption?

Hon. Paul Martin (Secretary of State for External Affairs): Mr. Speaker, there is no delay whatsoever in the negotiations. These negotiations are under way at this very moment on the northwest Pacific coast, where two working groups set up by the negotiating teams from Canada and the United States are meeting to analyse the very vital factors involved in the question of the desirable price for the sale of the downstream benefits. These working groups are meeting continuously to prepare for the negotiating teams

who will meet formally again in Ottawa or Washington. My hon. friend may be sure that there has been no delay, and that just as quickly as possible we will not only relieve the suspense of the hon. gentleman's constituents but the suspense of the hon. gentleman himself.

Mr. Herridge: A supplementary question, Mr. Speaker. Does the minister know that the minister of lands and forests in British Columbia has given, as one reason for the delay, the failure of possible purchasers of the power, be they private, co-operative or otherwise, to reach any agreement as to how they will proceed and as to price.

Mr. Martin (Essex East): Mr. Speaker, the question of price is very important. As my hon. friend knows, we have stated repeatedly that an essential condition in the negotiations is to make sure that we get from the United States an assurance as to a price that will make this project self liquidating; and until we get that assurance we do not propose to agree to the sale of the downstream benefits. My hon. friend, I am sure, would be among the first to congratulate the government for the stand it is now taking.

Mr. Herridge: If that occurs.

Mr. D. V. Pugh (Okanagan Boundary): Mr. Speaker, I have a further supplementary question for the minister. Has the province of British Columbia a negotiating team as well? The minister mentioned the two governments, the federal government and the government of the United States. Is Mr. Bennett being consulted, and has he a consultation team working with the other two governments?

Mr. Martin (Essex East): Mr. Speaker, the government of British Columbia is the owner of the resource, and discussions particularly having to do with price involve the closest consultation with the government of British Columbia. For my hon. friend's benefit and the information of the house, I hope to be meeting at noon with a representative of British Columbia—

An hon. Member: At noon?

Mr. Martin (Essex East): At one o'clock I hope to be meeting with a representative of British Columbia. I may say that the government of British Columbia seems to be satisfied with the way the present government of Canada is handling this matter.

GRAIN

HALIFAX—SUGGESTED USE OF LAKE SHIPS FOR STORAGE

On the orders of the day:

Mr. Gerald A. Regan (Halifax): Mr. Speaker, I should like to direct a question to the Minister of Transport. Will the minister investigate the possibility of stationing several lake grain carriers in Halifax at the end of the lake shipping season, to be used for the storage of grain and thus supplementing the capacity of our grain elevator and enabling the port of Halifax to ship more grain this winter?

Hon. G. J. McIlraith (Minister of Transport): Yes, Mr. Speaker.

PARLIAMENT BUILDINGS

REQUEST FOR ADDITIONAL BILINGUAL PROTECTIVE STAFF

[*Later:*]

On the orders of the day:

[*Translation*]

Mr. Jean Chretien (St. Maurice-Lafleche): Mr. Speaker, I should like to direct a question to the Secretary of State.

In view of the lack of bilingual personnel in the parliament's constabulary force, which is to the detriment of the French speaking people visiting the parliament buildings, is it the intention of the internal economy commission to cope immediately with such a situation?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Well, sir, Your Honour has heard that question, and I am sure it will be considered.

INDUSTRY

MANITOBA—REPORTED DUPLICATION OF DEVELOPMENT PLAN

On the orders of the day:

Hon. W. G. Dinsdale (Brandon-Souris): Mr. Speaker, I should like to direct a question to the Minister of Industry. Has the minister consulted with the province of Manitoba in order to avoid costly duplication in setting up the Department of Industry?

Hon. C. M. Drury (Minister of Industry): Mr. Speaker, I have had an exchange of correspondence with Premier Roblin.

Mr. Dinsdale: A supplementary question. Is the minister aware that the premier of Manitoba has made the comment that no such consultation has taken place?

Mr. Drury: No, Mr. Speaker.

BRIDGES

THREE RIVERS, QUE.—REPORTED OBJECTION BY FEDERAL GOVERNMENT

On the orders of the day:

[*Translation*]

Mr. Clement Vincent (Nicolet-Yamaska): Mr. Speaker, I should like to direct a ques-

tion to the Minister of Transport. This question deals directly with the construction project of a bridge worth $30 million across the St. Lawrence, between Three Rivers and my constituency, the specifications of which had been approved at the beginning of March, this year.

Could the minister tell us whether there is any truth in the reports now appearing in our local press and heard among the people to the effect that federal government now objects to the plans and the construction site of the bridge on the river, when those plans were approved at the beginning of March and accepted by the Quebec premier, the Hon. Jean Lesage?

[*Text*]

Mr. Speaker: Order, please.

Mr. Vincent: This is very important.

Mr. Speaker: There is no doubt about the importance, but where is the urgency? Would the hon. member put this question on the order paper.

[*Later:*]

[*Translation*]

Mr. Vincent: Mr. Speaker, may I put a question to the Minister of Transport?

Has the minister received a communication from the bridge corporation asking him to make representations to the government since the work is to be started very soon?

[*Text*]

Hon. G. J. McIlraith (Minister of Transport): No, but I think I should add that one of the officials of the corporation was here yesterday, and I expect to see him again next week.

TRADE

WHEAT—COMMODITIES TO BE TAKEN IN EXCHANGE FOR WHEAT

On the orders of the day:

Mr. Raymond Langlois (Megantic): Thank you, Mr. Speaker. I was getting a little tired of bouncing up and down trying to catch your eye for the last hour. I have a question to direct to the Minister of Agriculture, but in his absence I will direct it to his parliamentary secretary. Did Canada receive any commodities, apart from cash, in their wheat transaction with Russia, and, if so, what were these products?

Mr. B. S. Beer (Parliamentary Secretary to Minister of Agriculture): I will be glad to take this question as notice and bring it to the attention of the minister. I am sure an answer will be forthcoming immediately.

Inquiries of the Ministry

POST OFFICE DEPARTMENT

INQUIRY AS TO AGREEMENT WITH CUBA

On the orders of the day:

[*Translation*]

Mr. L. J. Pigeon (Joliette-L'Assomption-Montcalm): Mr. Speaker, may I direct to the Postmaster General a question of which I have given him notice?

Is there a bilateral postal agreement between Canada and the Cuban government? I intend also to ask a supplementary question.

Hon. Azellus Denis (Postmaster General): Mr. Speaker, Cuba is a member of the Universal Postal Union.

Mr. Pigeon: What does the minister intend to do in view of the fact that the Cuban government has decided to seize all parcels addressed to hurricane victims in Cuba?

Mr. Denis: Mr. Speaker, it is obvious that the Post Office Department cannot intervene and give instructions to the Cuban government with regard to parcel post.

Mr. Pigeon: Does not the minister feel that the Cuban government is violating the international postal agreement?

[*Text*]

IMMIGRATION

EDMONTON—REPORTED DELAY IN CLEARING PLANE PASSENGERS

On the orders of the day:

Mr. A. B. Patterson (Fraser Valley): I should like to direct a question to the Minister of Citizenship and Immigration. Has the hon. gentleman received a communication protesting the manner and slowness with which members of the charter flight of the Fraser valley milk producers association, flight No. 371, Canadian Pacific Airlines, were cleared at Edmonton upon their return from Europe and, if so, is the matter being investigated?

Mr. Speaker: Order. This is a question for the order paper.

Mr. Donald MacInnis (Cape Breton South): On a point of order, I would refer Your Honour to a question asked yesterday by the hon. member for St. John's West, which I think set a precedent which would permit any member to ask any question he wishes in this house. It was a question of no national importance, but it was asked by the hon. member for St. John's West and answered by the Minister of Citizenship and Immigration.

Mr. Speaker: I am well aware of that question but, as I have said on previous occasions, it is difficult for the Chair to decide

whether a question is in order until it has been asked and the Chair has heard it. That was the case with regard to the question asked by the hon. member for St. John's West. By the time the minister was on his feet answering, it seemed to me there would be a saving in time if the question were allowed. I certainly thought it should have been a question for the order paper.

Mr. MacInnis: With all due respect to you, sir, the question asked by the hon. member for St. John's West was not one which should have needed a great deal of consideration before being ruled out of order. Questions asked on this side of the house are ruled out of order continually.

An hon. Member: Don't show your ignorance.

Mr. MacInnis: While I am on my feet, I wonder if the Secretary of State would take it upon himself to rise and repeat the remark which came just now from the other side of the house, from his direction. I do not say it was his remark.

Mr. Pickersgill: On a question of privilege, the hon. member seems to have defective hearing as well as a defective knowledge of the rules, because I said nothing whatever.

Mr. Speaker: Order. I do think this chit chat, if I can call it that, should be brought to an end. Members themselves have a certain responsibility for their conduct in this house. The Speaker does not want to be on his feet continually delivering lectures on procedure. A certain responsibility attaches to all members to conduct themselves in accordance with the standing orders. I suggest we leave it at that.

Mr. MacInnis: On a question of privilege, the Secretary of State made reference to my hearing. I want to tell him that I in no way accused the Secretary of State of making the remark. The question of privilege he raises was certainly not a question of privilege because, in the first place, I did not indicate he had made the remark I overheard.

HOUSE OF COMMONS

DELAY IN RECEIPT OF FRENCH "HANSARD" AND COMMITTEE REPORTS

On the orders of the day:

[*Later:*]

[*Translation*]

Mr. Gilles Gregoire (Lapointe): Mr. Speaker, it happens sometimes that we, in this corner of the house, have questions to ask; however, we are always the last to be given the floor. You will note, Mr. Speaker, that from the beginning a number of members of the other parties have asked questions. My question is directed to the Secretary of State.

On Monday, October 21, following a question I asked the Secretary of State pertaining to the delay in printing works for the French edition of *Hansard* and committee reports, the hon. gentleman answered that he would make inquiries and give the relevant information to the house. Can the Secretary of State give us that information now?

[*Text*]

Hon. J. W. Pickersgill (Secretary of State): Not today, but I hope soon.

INCOME TAX ACT

The house resumed, from Thursday, October 24, consideration of the motion of Mr. Gordon for second reading of Bill C-95, to amend the Income Tax Act.

[*Translation*]

Mr. Côté (Chicoutimi): Mr. Speaker, may I call it one o'clock and continue my speech at 2.30 this afternoon?

[*Text*]

At one o'clock the house took recess.

AFTER RECESS

The house resumed at 2.30 p.m.

[*Translation*]

Mr. Maurice Côté (Chicoutimi): Mr. Speaker, when the discussion on Bill C-95 to amend the Income Tax Act was adjourned, I was expressing my amazement at some members of parliament who still believe that the off-the-beam monetary mechanism of our financial system could automatically adjust itself—

[*Text*]

Mr. Scott: On a point of order, Mr. Speaker, we are anxious to hear the hon. member's speech and the translation facilities are not working. Would you have the matter looked into?

[*Translation*]

Mr. Deputy Speaker: Order. Maybe the hon. member could wait a moment—

The hon. member can now resume his remarks.

Mr. Côté (Chicoutimi): Mr. Speaker, yesterday afternoon, at the time of the adjournment of the discussion on Bill C-95 to amend the Income Tax Act, I was stating my amazement at some members of parliament who still

think that the off-the-beam monetary mechanism of our financial system could automatically adjust itself. That reminds me of this quotation from the Bible:

"Eyes they have, but they see not, they have ears, but they hear not."

That is why I would suggest to all hon. members of this house who do not want to be placed in that category to study the background of monetary facts over the centuries. They will find out that there was nothing miraculous in the history of money, except that man always let monetary systems enslave him because he made a god of money.

The Minister of Finance (Mr. Gordon) asked the house to support the principle of Bill C-95, and our party, Social Credit, is in agreement of course with the principle of this bill. But the minister and the government should also see the other alternatives which could enable Canadians to control their economy.

When one considers the nature of money, one should ask oneself the following questions.

What is it that makes banknotes printed in the United States or elsewhere better than banknotes printed or issued by the Bank of Canada? Is it that the paper is of a better quality? Or is it that the ink was purer at the time of the printing?

On the other hand, in what way would credit created by a private bank in the United States or elsewhere be better than credit created by a chartered bank in Canada?

We might also wonder what credit is, if not accounting money, banking currency, bookkeeping money, token money, scriptural or numeral money. Why should, therefore, American or other foreign credit be superior to Canadian credit, when our natural resources are practically unlimited and the will to work of French Canadians, as well as of English Canadians, only waits for a new issue of credit to develop this country's economy further?

Mr. Speaker, monetary nationalism is fully justified, and when, in this parliament, we have a government independent of high finance or the suppliers of slush funds, it will be easy to enact, in addition to the fiscal legislation provided in Bill C-95, laws enabling us to establish a financial policy in this country which would match the economic evolution of our century.

The Minister of National Defence probably had that in mind when, according to the *Le Devoir* of October 8 last, he stated:

If we go on mortgaging our resources at the present rate, it will be impossible to preserve our political independence for another generation.

Those, Mr. Speaker, are words quite in keeping with the Social Credit philosophy and for which we should warmly commend the Minister of National Defence.

In order to promote our economic and political independence to the greatest extent, I would have a definite suggestion for the Minister of Finance. For instance, he might reduce corporation taxes when the capital is owned by Canadians to the extent of 51 per cent. This would further help economic independence.

Apart from amending the Income Tax Act, we would like the Minister of Finance to consider applying other financial measures. To satisfy himself, he should read the report published by the National Industrial Conference which, according to *Le Soleil* of September 7, 1963, contained the following statement:

The government's monetary policy is one of the primary factors of unemployment in Canada.

As you can see, the Social Credit party is not the only one to advocate an improvement of our financial system.

Those are the authorities which prove that changing the Income Tax Act alone will not be enough, because what we need is new Canadian capital to create new industries in this country. Canadian capital is essential to solve the unemployment problem in our country.

Canadian capital, Mr. Speaker, is created by men, by chartered banks. Why, then, could not this responsibility rest with the Bank of Canada especially when the necessary capital has to be created for all our social capital expenditures?

The Bank of Canada has all the necessary means to issue sound and debt free money, such an issue being based on mathematics and statistics, in order that it may be under the control of every Canadian.

Mr. Deputy Speaker: The hon. member for Pontiac-Temiscamingue (Mr. Martineau)—

Mr. Gilles Gregoire (Lapointe): On a point of order, Mr. Speaker. Since—

Mr. Deputy Speaker: The hon. member for Lapointe (Mr. Gregoire) has the floor on a point of order.

Mr. Gregoire: Mr. Speaker, since—

Mr. Chapdelaine: On a point of order, Mr. Speaker.

Mr. Deputy Speaker: I have recognized the hon. member for Lapointe, who has the floor on a point of order.

Mr. Gregoire: Mr. Speaker, since you first gave the floor to a member of the New Democratic party and then to a Social Credit member belonging to the group of the hon. member for Red Deer (Mr. Thompson), do you not think that it would at least be in

order for you to go on to the last of the parties, as you call it, and to allow a Social Credit member belonging to the group of the hon. member for Villeneuve (Mr. Caouette) to speak also? I think that would be quite normal and in order.

Before giving the floor to a member of the New Democratic party, Mr. Speaker, you recognized a member of the Conservative party, then a member of the Liberal party and after that a member of the Social Credit party belonging to the Red Deer group, and now again to a Conservative, without letting a member of our group have the floor. That is the reason why I rise on a point of order, and I respectfully ask you to consider it.

Mr. Deputy Speaker: I understand and appreciate the view expressed by the hon. member for Lapointe. On the other hand, the Chair tries, as a rule, to alternate the speakers, taking into consideration the number of members in each party. A member of the party which the hon. member for Lapointe represents will have the opportunity to speak when the hon. member for Pontiac-Temiscamingue has finished.

Hon. Paul Martineau (Pontiac-Temiscamingue): Mr. Speaker—

Mr. Gregoire: Mr. Speaker, I admit that you have a problem in alternating the speakers of the various parties. However, I feel that before recognizing the member of another party at this time, you should recognize the member of another but lesser party, before giving once more the floor to a member of the two more important ones numerically speaking and that a member of our group should be recognized, then a member of one of the larger parties.

Mr. Deputy Speaker: Once again, I take note of the representations made by the hon. member for Lapointe, but he knows that, normally, the Speaker tries to be as fair as possible in alternating the speakers of the various parties when he recognizes a member. I do not think that the hon. member has reason to express a grievance because a member of his party is not recognized immediately.

As the hon. member for Lapointe knows, there is a procedure which must be followed in this house when an hon. member objects to the recognition of a member, as soon as he has been recognized by the Speaker.

Mr. Martineau: Mr. Speaker, the hon. member for Lapointe should not worry, because I do not intend to take the whole afternoon.

Mr. Gregoire: Mr. Speaker, I raised the question only to safeguard the principle.

[Mr. Gregoire.]

Mr. Martineau: The hon. member for Lapointe will have time to be heard and air his views, and everybody will be happy.

[*Text*]

I wish to speak briefly on the legislation before the house. The minister has intimated that it has three main purposes. The first is to close certain loopholes in the existing act. The second is to provide an incentive to industry, particularly in those areas of slower growth. The third is changes in the non-resident withholding tax designed to reduce the cost of borrowing abroad and provide an incentive to the foreign owners of subsidiaries.

Now, Mr. Speaker, in so far as the first purpose of this act is concerned, that is to plug certain loopholes, the minister has admitted that at the most these are stopgap measures. The minister went on to say that when the royal commission on taxation reports it may be desirable to make extensive changes in the taxing statutes. I think it is almost inevitable that major changes in the whole taxation structure will follow the report of that commission. However, I am slightly perturbed, like a good many Canadians, and as the minister himself was last year, to find that the much needed reforms in our taxation structure are to be delayed, and that when some proposal is made to improve the taxing statutes the minister makes the classic reply that a commission is sitting and therefore these reforms cannot be considered.

I seriously ask myself if the economy can wait much longer for the structural changes that are required in our taxing system. Everyone admits that taxation in this country is reaching the proportions where it may be considered confiscatory, and that the level of taxation discourages initiative and, in particular, prevents the accumulation of investment capital.

It also prevents the proper expansion of purchasing power. As the minister knows, all these eventualities are most desirable, and he also knows that their achievement or implementation has become most urgent.

In regard to the reform of the tax structure itself and the basis of taxation, I read with some interest the views expressed by Mr. Frank S. Capon, vice president of Dupont of Canada Limited and a chartered accountant who is a confrere of the minister. He submitted an excellent brief to the commission, and the commission were so impressed with the views he expressed that they recalled him before them.

In essence, his views call for measures that will give Canadians a greater share in capital investment, and he says that unless this is

done we will rapidly become a socialist state to all intents and purposes. I am not at all sure that we have not reached the point of no return in that regard, but one of his points which most impressed the commission was that taxation should be diverted away from corporations because corporations, not being persons, cannot really be taxed, and when a corporation is taxed in effect it is the shareholder, the taxpayer in his own right, who is being taxed.

Mr. Capon called for the complete elimination of the corporation tax. That is a radical proposal and I am not putting it forward, but I do call it to the attention of the minister. He also called for a lowering of the graduated rate of personal income tax, suggested that a stiffer tax be put on the undistributed earnings of companies, on tax dividends paid to foreign shareholders, and also proposed the elimination of the 20 per cent tax dividend credit.

This may seem quite strange to a lot of people because it has been argued here and elsewhere that in order to favour the accumulation of investment capital, the rebate on dividends for tax purposes should not be diminished or abolished but that it should be increased, and possibly doubled. That line of reasoning, of course, must be judged in the light that all corporate taxes would be abolished.

I am sure the minister and his department will take a very close look at these views. I am also sure that the minister himself, having in the past, by written word and verbally, championed the growth of Canadian industry and investment capital, can ill afford to let a situation continue and perpetuate itself, a situation that is definitely stifling the economic life of the country and which is defeating the very ends which the minister asserts are primary to his thinking, namely the development of more capital by Canadians so that Canadians can take back the control of their own industry and economy.

I submit that this cannot be done, and that even a start cannot be made on it, until the basic structural reforms of our tax system have been dealt with in an intelligent way, and until those other measures which have been proposed by the minister, and which are self defeating, have been carefully re-examined, reappraised and eliminated. The minister should not fear to backtrack again. He has done it previously; but if he refuses to act, or takes other measures that are foreign to what he says is his main objective, then he can only lose still further the confidence of the Canadian people. That is all I have to say about the general remarks made by the minister when introducing this bill.

The minister also spoke at some length about the incentives which are being provided to encourage industry to begin the manufacturing of new products in areas of slower growth. I think the ministry has now changed the description of those areas. At first they were supposed to be depressed areas, but because areas did not like to consider themselves depressed, and according to usual standards were far from distressed even though they had been singled out to share in this incentive tax kick, the government has now started to call them by some other name, such as slower growth areas or whatever it may be.

The minister said these incentives were considerable. I do not dispute that, but the fact remains that the method employed to provide these incentives is very wrong. The method of selection of the areas is discriminatory. The thinking behind the selection is ill conceived. It is contradictory because in some ways it defeats the purposes of the minister, and also because it does not take due account of other levels of government, provincial and municipal.

I do not want to repeat what was said by the hon. member for Wellington South in his very well thought out speech concerning the selection of areas of slower growth, but it seems to me the minister's proposals are lacking in one essential in that they do not provide enough safeguards to determine whether an industry that may avail itself of these incentives will really be manufacturing a new product or establishing a new business.

Before any company takes advantage of these incentives steps must be taken to determine whether it had already decided to begin the manufacture of the new product involved, and whether it had already chosen another place where its new operations would be carried out. Unless that is done then the government is not providing any new industry or new employment. All the government is doing is depriving some other area which no doubt had plans to receive the new industry that now will go elsewhere. The real loser is the Canadian taxpayer, and another loser is the principle of free enterprise in this country.

It is very difficult, Mr. Speaker, to justify, under our system of free enterprise, certain companies receiving decided tax advantages over certain others. Why should some companies in some areas, just because they happen to come under the formula devised by the officials of the government, obtain this tax holiday? That is something to which I think the minister should give serious consideration, because if he does not, his measures, instead of promoting economic growth may simply add to the confusion and will cause real hardship to industries which are already

established and are fighting hard to maintain their competitive position. There is no justification, unless all these precautions to which I have just referred, and those to which the hon. member for Wellington South (Mr. Hales), referred the other day, are taken. I hope that before this bill becomes the law of the land, before these incentives are administratively applied, all these safeguards will have been provided.

The minister has also proposed changes in the rates of withholding tax. He said that one must give priority in all our economic policies to measures that will bring our international transactions on current account into better balance, and he said the government is determined to do this. But I ask, are we going about it in the right way by doing these things? I ask this question because not very long ago the minister admitted that this was not something that could be done very easily, and it was not something that could be done by legislation. I think when he introduced his budget he said this objective of trying to win back our economy, and the desire to stop the inflow of foreign capital into this country, must be achieved without causing any harm to that inflow, which is beneficial to Canada. The minister admitted that it was beneficial.

We know, as well as the minister and the government, that the problem of our balance of payments is a very serious one indeed. The minister spoke about this in Washington. I was rather amazed to read some of the reports of his remarks. Perhaps they were off-the-cuff remarks that he made in Washington to newspapermen, but at one stage he is reported as having said:

> It is easy to find general agreement on general approaches, but more difficult when specific proposals are offered.

That seems to be an admission on the part of the minister that he does not know what to do about this problem.

Mr. Gordon: Oh, no.

Mr. Martineau: The minister might scoff at this, but he did say it is difficult when specific proposals are offered. If that is what he said, I think it was because he had no specific proposals to offer at that particular time. I find this difficult to understand, coming from a minister who was so desirous of obtaining and preferring specific proposals for the betterment of our economy. I read—

Mr. Gordon: Mr. Speaker, I wonder if the hon. gentleman would permit a question. Would he not think that the proposal in regard to the automobile industry is a specific proposal?

Mr. Martineau: That is certainly a specific proposal all right, but I must remind the minister, as the hon. member for Digby-Annapolis-Kings (Mr. Nowlan) said so well today, that the proposal submitted this morning to the house was simply something taken off the shelf of the Conservative policy on these matters. It was a part of our policy.

Mr. Gordon: Oh, oh.

Mr. Martineau: That is a fact, because the proposal was there. Everyone knows that; I am sure that even the minister knows it. In any event, I do not think the majority of the proposals he has made have won too much favour in Washington, where the minister went several times during the summer—and, I think, even since the house reconvened—trying to sell those policies. He is having a fair amount of difficulty in this regard.

Mr. Speaker, getting back to the question of withholding taxes, I think the method proposed by the minister is definitely a retrograde, regressive step. There is no doubt about that at all. I think the whole thinking with regard to this withholding tax, as the hon. member for Edmonton West (Mr. Lambert) said yesterday, is simply putting the government in the position of holding a big stick over the heads of investors, the very people that the minister and the government want to lure into investing capital in Canadian industry. It is holding a big stick, and it is not providing an incentive.

Mr. Benson: Mr. Speaker, I wonder if the hon. gentleman—

Mr. Martineau: Mr. Speaker, I do not know whether the hon. member is rising to ask a question. If he is, I would ask him to wait until the end of my speech, and if there is any time left I will be very glad to answer questions. The arguments against the withholding tax are very numerous. Most of them have been mentioned, but it might be worth while to recapitulate the main objections to this tax. First of all, there is the question of administrative difficulty. It is impossible, because of the market practice, that prevails, to be sure of the identity of the buyers of shares. I know there have been changes in the act in this regard since the time the measure was first announced, but nevertheless the administrative difficulties remain enormous. If that measure is ever applied, it will seriously interfere with the free play of market forces, the buying and selling of shares on the open market. If the minister wants to encourage the growth of investment capital in this country, I do not think he should contemplate taking such a step, the consequences of which may be very serious for our economy and for the development of those industries that we consider vital to our future development.

Another reason for my finding this tax obnoxious is that it imposes penalties on the foreign investor and does not provide any real incentive to the Canadian investor; in other words, it penalizes a foreign investor who wants to buy Canadian shares, for no reason at all except that he happens to be a non-resident. That does not seem to me to be a reason that stands up. Canadians are free to purchase elsewhere in other markets; that is their business. Other ministers have stated that such investment is desirable, and the Secretary of State for External Affairs (Mr. Martin) stated not very long ago in Miami, Florida, that there was a great need in Canada for foreign capital, and foreign capital was welcomed here. If the government is to be consistent, surely it should not penalize those people whose money we want to lure into this country. I just cannot understand that approach to this problem. Even if one agrees with the objectives pursued by the minister, the methods employed are wrong. I would like the enumerate some of my reasons for saying this. Instead of holding a—I think this was the expression used by the hon. member for Edmonton West—big stick over the heads of foreign-owned companies, he should use these tax carrots to make more Canadian capital available for investment. For example, the minister could encourage direct investment in Canada by Canadian investors. It seems to me there is a very obvious way in which that could be done; that is, by simply increasing the exemption granted on dividends of Canadian corporations.

Many people, among whom are the most informed financial critics in this country, have asked that this 20 per cent rebate on the dividends of Canadian corporations be at least doubled. If that were done I think you would have a great flurry of new investment in Canadian equity, and by the same token you would be providing for Canadian industry that solid basis of cumulative capital which it needs. If the government and the minister do not give to the investors of Canada those means to acquire that capital, how are we ever going to have the capital which we need when at the same time the minister discourages foreign investors from placing their funds in Canadian equity?

It seems to me there is some contradiction in the thinking of the minister, and perhaps his thinking has been compartmented into different sections. For instance, certain consultants might have drafted some measures—perhaps the withholding tax is one—and then another group drafted other measures which were entirely contradictory, and for some reason which I still cannot figure out the minister accepted both. It is like a judge sitting on a case who judges both for the prosecution and for the defence: it just does not seem to make sense. That is why the business community has been so disillusioned by the present administration and the financial proposals for growth and progress placed before parliament by the minister, who belongs to that community. If anyone belongs to it he does. The only thing I can see is that he delegated his authority to others who followed different philosophies, and were proposing and probably seeking objectives which were contradictory one to another.

Regardless of that, Mr. Speaker, I think there is still time for the minister to take a sober look at all these proposals and withdraw bravely and courageously—if he can do it; he has done it before—those things which are harmful to our economy. If the minister is really serious about the objectives which he has placed before the house, and on which he spoke so feelingly in Hamilton this week, he should get all those things together and eliminate those which do not enter into his principal objectives, leave them aside and start anew. As I said before, that is the only way in which the minister might regain—I know it will be a difficult process—some confidence among the financial and business community of this country.

The withholding tax is also objectionable because the methods employed certainly smack, in some way anyway, of economic nationalism. When I say that, I do not say it very lightly. If they do not smack of economic nationalism, it cannot be denied that they have been interpreted as such by people across the border and by people who are in the know as far as financial matters are concerned. For instance, we have a declaration of statement by Robert Roosa, with whom I know the minister has conferred. He is the under secretary af the treasury in the United States and he commented, with apparent approval, on a report appearing in some United States papers to the effect that the United States is perturbed by Canada's curbs and signs of continuing trends to economic nationalism. These are some of the objections which I see in the present bill and to the withholding tax.

As I said before, the minister stated when he brought down his budget, in regard to winning back autonomy, and so on, that the solution is not one for legislation but for voluntary action. He said that the growing partnership between Canadians and investors abroad is the best way of strengthening harmonious relations with foreign capital which it is our object to preserve. So here we have the minister now introducing legislation,

when in his budget speech he said that legislation to settle or to solve this particular difficulty was not the proper approach. So again, Mr. Speaker, you see a quite glaring contradiction in the thinking and the methods employed by the minister. All these measures have contributed to blurring our image abroad; there is no doubt about that at all. It is too bad to have to say it, but it seems to me that it has had that effect and it is going to take an awful lot of tactful handling, smooth diplomacy and a lot of patient negotiation by specialists and officials to bring back a situation even anywhere approaching that which existed before June 13 last.

In summary, then, Mr. Speaker, these measures, especially the proposal with regard to the withholding tax on dividends, discourages the formation of equity capital and has an effect which could easily spell a return to tight money, higher interest rates, less investment, less capital, and therefore less expansion, capital expenditure, and so on, leading to a general tightening up of our system. I do not think the minister wants that. In fact, I am sure he does not, and I do not think the government wants it either. But we must not allow the wrong measures, perhaps taken in good faith, to bring about that result.

In conclusion, I urge upon the minister to take a very close look again at these measures, fearlessly to use the scissors wherever they should be used, and to come out with a good constructive policy for the betterment of Canadians, for the encouragement of the formation of investment capital which we need, as well as assurances to foreign capital that it will be treated as a friend—which it is, because it contributes in a vital way to the development of our own resources and higher standards of living. I am convinced that the minister in his inner thinking agrees with what I say. If he does agree he may still feel that he has done enough withdrawals and cannot afford to make any more. But I think that is the wrong approach, and I am sure he will agree. Let him take his courage in his hands, cut out these unfavourable proposals he is making, and go ahead and help Canadians to achieve that better life of which he was such an ardent protagonist when he sat on this side of the house.

Mr. Benson: Mr. Speaker, would the hon. member permit a question?

Mr. Deputy Speaker: Is the hon. member rising to ask the hon. member a question?

Mr. Benson: Yes, Mr. Speaker. The hon. member stated that the proposal of the government which involves both increases and decreases in the withholding tax designed to encourage the sale of shares of foreign-owned companies in Canada is a regressive step. Does that mean that he thinks the increase in withholding tax by the previous government from 5 per cent to 15 per cent in 1960 was a regressive step?

Mr. Martineau: Mr. Speaker, we are dealing with the situation now, in 1963. The measures proposed by the minister and the government with regard to these withholding taxes, under the particular circumstances in which we find ourselves today, are definitely against the interests of Canadians generally and the growth of our economy, for the very reason I mentioned in the course of my speech.

Mr. Gray: Would the hon. member for Pontiac-Temiscamingue permit a question? He indicated that the policy announced today had been Conservative policy. If it was in fact Conservative policy, why did the government which he supported apply it last year only to transmissions and certain engine parts instead of to the entire industry, as we urged and as Dr. Bladen recommended?

Mr. Martineau: The hon. member answered his own question when he said the Conservative party had applied the policy. Surely it was a beginning of the policy, if the government had already begun to apply it.

[*Translation*]

Mr. Gerard Perron (Beauce): Mr. Speaker—

[*Text*]

Mr. H. E. Gray (Essex West): Mr. Speaker, may I direct a question to the hon. member for Pontiac-Temiscamingue—

Mr. Deputy Speaker: I have already recognized the hon. member for Beauce.

[*Translation*]

Mr. Perron: Mr. Speaker, at this stage of the study of Bill C-95 to amend the Income Tax Act, we are presented once again with the spectacle of the two old line parties chameleon-like, changing hue according to circumstances.

Since this legislation was introduced, we have been listening to a dialogue between advocates of taxation. As a matter of fact, since the Conservative party has been sitting on this side of the house, its members have blamed the government for adopting certain policies or for changing the Canadian taxation system in order to solve existing problems.

On the other hand, those who now sit on government benches used to criticize the Conservative party for exactly the same thing hardly six months ago.

This leads us to note obvious discrepancies between certain statements.

Mr. Speaker, I should like to deal with those contradictions at the outset of my remarks and, in order to do so, I refer to *Hansard* for October 16, 1963. When he introduced this bill, the Minister of Finance (Mr. Gordon), said, as reported on page 3639 of *Hansard*:

> If we do not do this, Canadians may well wake up some day and perhaps sooner than they think, and find that they have lost control not only of their economic destiny but of their political destiny as well.

On the other hand, the minister delivered a speech before the international monetary fund, on October 1, 1963. Here is the report of that speech as published by *La Presse*:

> No economic nationalism—Gordon
> The minister told reporters that he was concerned when responsible American officials or reporters considered as a policy of economic nationalism the steps taken by Canada to reduce its heavy international payments deficit.

The mere fact that foreigners thought that we were considering a monetary policy of economic nationalism worried the minister.

At the resolution stage, he stated that the purpose of this legislation is to save Canada from its present position or, at least, to recuperate part of the ownership in our own enterprises. What a contradiction. It is not surprising though since the minister is not concerned with contradictions. In fact he abolished the 30 per cent tax on investments or on the sale of shares of Canadian companies to foreigners. In addition, he was forced to amend the sales tax on building materials in such a way that it is now set at 4 per cent, to be raised later on to 7 per cent and still further increased, in the end, to 11 per cent.

These are wrong remedies, ill-conceived measures to use against the problems facing Canada at the present time.

Let's face facts. The province of Quebec has been placed in a tragic position, as a result of the measures announced by the government. Actually, last month, when the government listed the designated depressed areas, we found that, out of the 35 areas so designated, 13 were in the province of Quebec.

Moreover, when, on October 14, 1963, the second list was tabled in the house, we found that, out of the 31 new designated areas, 15 were in the province of Quebec, so that now Quebec has 28 depressed areas out of a grand total of 66.

We appreciate the fact that some people believe that the statements of the Minister of Finance on the amendment to the Income Tax Act may encourage new investments to promote, in these depressed areas, the establishment of plants for the processing and manufacturing of our raw materials. I wonder, however, if here again, we are not given ill-conceived measures and wrong remedies.

If we want any more contradictions, we have a monopoly in the province of Quebec, as I just stated, with regard to the depressed areas.

We also heard many a time during a certain election, two or three years ago, in 1960, that the unemployment problem in this country, and more particularly in the province of Quebec, was primarily a matter for the provinces and, second, that it was dependent on a real, honest and sincere co-operation with the federal authorities. At that time there were nearly 200,000 unemployed in the province of Quebec alone. Today, we still hold that record, as shown by the following item which appeared in *La Presse* of Thursday, September 19, 1963:

> The greatest number of unemployed was again found in Quebec. There were 108,000 of them, representing 5.5 per cent (against 5.7 per cent in July). In absolute numbers as well as in percentage, the decrease has been much stronger in the provinces to the west of Quebec: Ontario had 72,000 unemployed, or 2.8 per cent of the wage earners (against 3.2 in July); the prairie provinces had 23,000, or 1.9 (against 2.4), and British Columbia 32,000, or 5.0 per cent (against 5.5).

Now, when we rise here, in this corner of the house, to demand a real solution for this problem, when considering this legislation to modify the Income Tax Act in order to promote capital investments, we want to suggest other remedies than a dialogue between taxers, and to make suggestions which should be taken into consideration if there is a real wish to find a solution for the economic problem of Canada which has become a menace, considering the critical condition in which the province of Quebec finds itself as, not having been given its due share in Canadian economy, it is unable to settle its unemployment problem.

When speaking of wrong remedies, I may say that they have been tried in our province. We had the winter works program. There again, we were supposed to have found a solution. But look at the results today.

We tried, for a certain time, I think, to allow deductions only to corporations, which was again a wrong cure.

Considering that, with a budget of $6 billion which we have in this Canadian parliament, corporations are taxed at 20 per cent, whereas the salaried people, the small wage earners and those who have a medium income—if we wish to include them—have to pay 30 per cent of the total intake of the federal government, I may say that there is hardly any reason to rejoice.

The minister is considering tax exemptions for present and future industries in order to boost the economy not only of the depressed areas but of the whole country. He must tap other sources to solve that problem in Canada.

There has been some talk about income tax deductions. A while ago, in support of his argument, the hon. member for Pontiac-Temiscamingue (Mr. Martineau) even quoted certain economists and advocated income tax exemptions to get our economy going, to facilitate foreign investments in Canada and to encourage the establishment of secondary industries for the processing of our raw materials. He also referred to the statement made this morning by the Minister of Industry (Mr. Drury) concerning the automobile industry. The Conservatives tried tax exemptions in favour of large companies, and see where that led.

I have here a report of the petroleum industry which appeared in *Facts and Trends*, a newspaper published by the oil chemical and atomic workers unions. It reads partly as follows:

British American Oil	$32,600,000
Imperial Oil	67,800,000
Texaco-Canada	11,100,000
Royalite	2,100,000

A few years ago, legislation was enacted by parliament, under the Conservative government, to provide exemptions for those companies. What result did that give?

Let us see what are the profits per man-hour of those companies and, later on, we will compare them with the income tax paid by the small wage earners of whom I spoke a while ago:

	Profits per man-hour
British American Oil	$2.17
Imperial Oil	2.59
Texaco-Canada	1.97
Royalite	1.60

The table shows that the companies' man-hour net earnings were often higher than the wages of the workers. Those are the companies to which the government wants to grant tax concessions, when 30 per cent of all federal revenues come from taxes paid by small wage earners. Is this not a shameful and sad joke to play on the people who are trying to build up our country? It is for such companies that tax concessions are being considered under the pretext that such a measure will attract new industries when, in fact, it will only increase the foreign control over our economy. Think of it. Those companies pay only 20 per cent of tax revenues whereas their employees pay 30 per cent.

Surely, there must be other solutions than to encourage new companies to come and establish themselves in our country. It is not that I am against the processing of raw material at home through secondary industries. On the contrary, that is what we have been clamouring for.

During a debate, I was recalling here, last fall—of course I come from the eastern townships and I was speaking as a member in this house for that district—that the asbestos production amounted in 1957 to $107,058,000 whereas the exports of the raw material amounted to $104,489,431, and that, in 1958, the corresponding figures were $92,276,748 and $90,345,000, in 1959, $107,433,344 and $110,431,000, in 1960, $121,400,015 and $120,-113,000.

I believe that we are entitled to consider essential that industries establish themselves in our country to process those raw materials, and that, for several reasons. First of all, to improve our unfavourable balance with our friendly neighbour country, which is of the order of $1 billion per annum; a fact which was made clear when the last budget was tabled. Our unfavourable trade balance with the United States has reached $1 billion a year.

We export the larger part of our asbestos to the United States, as raw material, while we import a fairly good quantity of finished products.

We have imported finished asbestos products, according to the 1962 Canada Year Book, for an amount of $4,078,000 in 1959 and of $4,498,000 in 1960. Which means that despite our trade deficit, we find means to import from them those finished products, while we allow them to come and get in this country that raw material, that resource which certainly belongs, to a large extent, to the Canadian people.

Moreover, there are other imports of finished products, such as asbestos products, that we buy from other countries which take our raw material—the United States, for instance—to turn it into finished products. We imported for over $25,800,000 during that same period, whereas, at home, in the province of Quebec, in particular in the eastern townships, we have hundreds of unemployed who are waiting for the opportunity to process their own resources, to the advantage of their fellow citizens.

I admit that it is important and urgent to amend the Income Tax Act. But how can we amend it? Simply by giving incentives to alleged capital investments through corporation tax exemptions, and especially dividends? I do not think that solution is possible, and I am sure it is a wrong solution.

That is why we are bringing forth suggestions, not simply on the basis of whims, but rather on the basis of statements made by a body as important as the information branch of the Department of Labour. I have here a report from that branch, dated May 8, 1950. At that time, the Liberals were in office

and here is what they advocated to get the economy moving again and to settle the monetary problem:

As regards the fight against unemployment resulting from inadequate total demand, the report points out that the methods to be used will necessarily be different in each country in accordance with the structure and the degree of development of the economy.

Among the measures that can be used, the experts mention the expansion of credit facilities, the lowering of interest rates, the adoption of an appropriate tax policy, the carrying out, under the government, of industrial research and the development of new industries and new products.

It was the Liberals who issued that release in order to solve the unemployment problem.

It said further down:

Under certain circumstances, the government may also deem it necessary to affect investments to the purchase of surplus stocks of goods which tend to have a harmful effect on the stability of the market. When the level of total demand goes down, the government can try, through various means, to increase personal consumption expenditures.

And here, between brackets, the ways to do it are indicated.

It was the Liberals who at that time advocated those solutions. They seemed to know some solutions other than taxation. They said:

—decrease of personal taxes, increase of social benefits, consumption subsidies, reduction of commodity taxes, etc.

At that time, the Liberals knew other formulas. Why are these not tested in 1963? At the present time, we are facing unemployment problems in depressed areas. All across the nation and especially in Quebec, there are depressed areas. The situation is becoming tragic. As far as unemployment is concerned, 40 per cent of all depressed areas in Canada can be found in the province of Quebec alone. I think the situation is becoming tragic. That is why it is most urgent to find other solutions than those applied up to now.

Since the Liberals are now trying to solve the problem, why are those suggestions not being followed instead of allowing our country to remain under the control of foreign interests when other means could be used. Besides, I shall have the opportunity to quote other statements made by the Liberals which will give cause for reflection to my friends opposite with regard to the monetary system.

It will be remembered that according to the Liberal program of which we heard so much during the last election campaign, the financial system was to be improved.

Do you want some solutions? The Social Crediters have suggested a few, such as first of all, incentives to consumption.

Factories are built when those already in existence cannot be properly operated so as to provide regular work by reducing the work week, because we have a surplus of commodities which remain unsold. This does not prove surely that the needs of Canadian consumers are met.

It has been established that people in depressed areas who draw social security or unemployment insurance benefits are certainly unable to meet the essential requirements of their families.

Therefore, there is actually over production in certain fields but it is due in great part to underconsumption.

That is why I am convinced that the suggestions made by the Social Credit members in this house should be considered much more closely than they are at present.

I believe that income tax exemptions should be granted to the consumers instead.

Did the President of the United States not declare, only three months ago, that he was considering the need to promote consumption, in order to give a new impetus to certain consumption industries in the United States and reduce the taxes that are a burden for small wage earners? There must have been some experts in the United States to give such advice to the President.

It is the most suitable formula to promote consumption. It would especially be necessary to encourage the establishment of new industries, and this particularly in our country, so as to solve our unemployment problem to some extent.

The Liberals are well aware of this. I have in hand their program on full employment which was widely distributed throughout the province. Here is what they say about the unemployment problem and finance in our country:

Taxes will be reviewed to encourage enterprise and to remove impediments to the development of business.

The financial machinery of the country will be improved in order to provide additional capital for industrial development.

To improve the operation of our financial system to provide additional capital for industrial development. Why not use an institution which belongs to the Canadian people, namely the Bank of Canada, to find the necessary capital investments for the development of our national resources?

The Liberal program also states:

A Liberal government will resolutely assume the political control of money and credit and will use them to foster economic development while maintaining stable prices.

That was in the Liberal party platform, Mr. Speaker, before the election held last April 8.

That is what we advocate also. The government should exercise its sovereignty in other ways besides levying taxes or, for instance,

instituting proceedings against people who have included charitable receipts in their income tax returns. The government should exercise its sovereignty and allow its own institutions, the Bank of Canada for instance, to create the money needed to solve all the problems facing the country, which would enable the Liberals to fulfil the promises they made throughout the country during the last election campaign, last winter.

Not much importance is given to those promises after the election. I notice that the hon. member for Hull (Mr. Caron) is asleep. And yet he claims to be the great champion of the French Canadians in the province of Quebec. These problems do not seem to worry him too much, Mr. Speaker.

And yet, those are facts, things they not only said, Mr. Speaker, but had the nerve to print and distribute throughout the province of Quebec. If they did not believe in them at the time, why did they mislead the people in that way, especially the French Canadians, leading them to believe that the Liberals had a policy that would get the country's economy moving again? But no. After the election, it is a complete reversal of position. We are used to such reversals, but they are more obvious since the election of last April 8. They showed in various statements made by the ministers.

Therefore, I ask the government, through its representatives in the house, who are truly responsible to the electors, that the small wage earners be the first to enjoy an income tax exemption. This will increase their purchasing power and will allow industries to acquire what they need for a greater development.

We shall have then a real planned economy, going in the right direction, because the consumer will look after his needs, since he will be in a position to buy consumer goods, the financial means being available to him.

Furthermore, our industries will be able to meet the needs of the Canadian nation because, otherwise, and I am convinced of this, we are increasingly going towards state planning.

What will happen then? The formula has already been put to a test. We know that there cannot be three or four methods of economic nationalism. There is only one which is truly Canadian, it is the economic nationalism advocated by the Social Crediters, which considers the consumer as a king because the primary purpose of all production is consumption, and production must be geared to the rate of human consumption in order to satisfy the needs of human beings.

The revision of our whole fiscal policy and monetary system must tend to achieve not only this goal but also to improve our balance of payments with foreign countries.

Mr. Speaker, I do not think that the people will see the end of unrealistic solutions as long as the old line parties are in power. Take the dialogue between "taxers" which goes on under our very eyes, the speeches about those so-called alternatives: I wonder what the Minister of Finance will do about them on the day the Quebec ultimatum expires, when the provinces will claim 25 per cent of the personal income taxes and 25 per cent of the corporation taxes.

Why are the rights of the province of Quebec flouted when it comes to granting tax exemptions in this or that area, in full or in part, to corporations?

Is it not a direct denial of the rights of the province of Quebec? The minister should hasten to find other formulas than taxation and fiscality in order to meet the deadline set by the premier of Quebec on taxation rights, estate duties and corporate and individual income taxes.

I wonder if we are not going round and round with those formulas aimed at amending the Income Tax Act. Where do we stand now?

Let us find out who has the responsibility to get the economy moving again so that Canada may become a country where future generations will bless or curse us according to the action we take today to free the people from the economic control of the neighbouring country to which I referred a while ago when I quoted an excerpt from the statement of the Minister of Finance in which he said:

> If we do not act along those lines, Canadians may very well awaken some day which might be sooner than they think, and realize they have lost all control not only over their economic destiny but over their political destiny as well.

It is with that in mind that I should like to see the government initiate not only a serious study of taxation in Canada but also an extensive revision of our monetary policies, which would meet the present and future needs of the Canadian nation, if we are to continue to live in this country where both nations have at the present time the dreadful choice to part or establish a monetary policy which will respect the human person—who has been looking forward to that respect for a long time—in the economic field. In short, parliament should bring about a monetary policy which, while respecting the dignity of the human being, would facilitate access to our country's abundant resources.

In my opinion, these few suggestions that I wanted to submit to the house should be taken in serious consideration and proper solutions for the needs of our time should be brought forward for this problem. The pick and shovel era is over; that is why winter

works were a failure. We are at the height of the twentieth century when everything goes fast.

Then let us hurry lest in 1967, the centenary year, the province of Quebec, which has felt frustrated and baffled for so long in the rights vested upon her by the British North America Act, take steps which may be deplorable for the whole Canadian nation.

Let us hurry to find a solution. Let us use the supreme authority of parliament and exert it on the Bank of Canada, whose objects vested upon it in 1934 gave it power to mint credits which Canada needed. Let us stop considering formulas which are ineffective.

Miss Pauline Jewett (Northumberland): Mr. Speaker, following the previous two speakers both of whom have, it seems to me, argued that two of the very major problems facing Canada today are unemployment and domination of our resources by outside interests, I can only agree with them that these are the problems, and that these were the problems that were discussed in the recent election campaign; indeed the speech we have just heard sounds like one that had been prepared for the hustings and warmed up for today.

I cannot, however, agree with the previous speaker that this party committed itself to a course of action which would involve the kind of monetary control and use of the Bank of Canada which he suggests. I do feel, however, that through the present Minister of Finance we have tried to—

[*Translation*]

Mr. Perron: May I direct a question to the hon. member?

Miss Jewett: When I have finished.

[*Text*]

I do feel though that through the propositions we have today in the income tax amendments of the Minister of Finance we are making some fairly strong, indeed very strong attempts to meet these two major problems, and other problems as well. This is true particularly of the two I have mentioned—unemployment, primarily in the chronically slow growth areas, and outside domination of our resources.

All of us on this side of the house, certainly I can say this of myself, and I am sure of others as well, are pretty well convinced, and have been for some time now, that under the present Minister of Finance we are at least going to have taken the kind of action that will do something about these two problems.

We have all spent a great deal of time talking about these problems, both in and out of parliament. As we all know, it is much easier to talk about them than to take action, because these are very difficult steps to take. Obviously they are going to hurt some people. Obviously some members of the business and financial communities, and of other communities, as well as other countries, will not like them. It is inevitable that when a nation tries to control its own destiny, or tries to take strong steps to curb unemployment and create a higher standard of living, somebody is going to get hurt.

We wish this were not necessary. We would like to see everybody go along happily with everything that is done, but unfortunately this is not always the case; and when you take action, particularly in the economic sphere, you are bound to step on a few toes. But because a few people get hurt this is no reason to get up, like the hon. member for Pontiac-Temiscamingue (Mr. Martineau) did and say we should not take any steps at all. With that line of reasoning we would never do anything to curb and cure our basic, chronic unemployment.

The step I want to talk about primarily today is the part of the income tax amendment which has to do with tax incentives to new industries in designated areas. If the play of economic forces were working perfectly naturally and freely, if this free play of economic forces we always hear about, and which the hon. member for Pontiac-Temiscamingue referred to, were really operating, there would not of course have to be any tax incentives for certain designated areas of chronic unemployment and slow growth.

If the system were working as it is supposed to, labour would move out of the areas where there was surplus labour, or industries would move into those areas; but in fact of course neither in Canada nor in any other known industrialized country does the free play of economic forces operate in this ideal fashion. In practice, even in the most mature and sophisticated industrial nations, there are, have been, and continue to be, areas of chronic unemployment and slow growth. This has been true in Great Britain, France, Denmark, Belgium, Norway, Sweden, Italy, Ireland and the United States, and certainly it has been true in Canada as well.

However this is not to say that there has not been a high degree of mobility of labour. In fact, in all of these countries the problems of slow growth areas would have been very much more serious had there not been a fairly substantial degree of mobility of the labour force. For example, I was amazed to read the other day that in the United States it

is estimated that one citizen out of five changes his state of residency every year. This is really fantastic mobility when you think of it—that one out of five should change his state of residence every year.

Even in Canada, where I think we sometimes tend to feel we are a fairly stick-at-home kind of society, where we do not move around very much, the figures, particularly in the last census, show a very, very high degree of mobility. The very fact that only 11 per cent of our labour force is now working full time in agriculture suggests this, and also the fact that in the 1961 census it was shown that 45 per cent of our whole population now lives in the 17 metropolitan areas picked out by that census. It was 40 per cent in 1951, and is 45 per cent today. No doubt it will get higher, and this of course suggests and implies that there has been a very substantial mobility of labour.

Some work has been done with family allowance statistics, estimating that between 400,000 and 500,000 Canadians change their province of residence every year. This is a pretty high level of interprovincial migration for all provinces, for Quebec and Ontario just as much almost as for the maritime and western provinces. It seems to me that these figures shed in their way a new light on Canadian society, and since I am talking about them I might as well mention that in the 17 metropolitan areas of Canada which had 45 per cent of our population in 1961, over 1,700,000 of their residents came from countries outside Canada, and further, almost one million of the residents of those 17 cities came from a province other than the province in which their respective city was located.

All of these figures, and many others I could cite, present a picture of Canada that is quite different from the mythology that has been built up. There may be an occasion later on to say more about this, but in the meantime if any hon. members are interested, there is going to appear in the fall issue of Queen's Quarterly an extremely interesting article by Miss Yoshiko Kasahara of the dominion bureau of statistics called "A Profile of Canada's Metropolitan Centres".

Despite this very high degree of mobility from rural to urban centres and from one province to another, to say nothing about the very great intraprovincial migration, the statistics of which are not yet available, we still have in Canada, as has been the case in other western industrial countries, areas of what we call chronic unemployment, areas of slow economic growth, areas where labour does not always move out and where, if it does, it is frequently, of course, the younger workers. These are areas, therefore, of real social need where there are large numbers of unemployed and where there is not a great deal of opportunity for them.

Countries in western Europe, and indeed Canada too, have tried to find means of encouraging people to move out of these areas. The results of these efforts have been, in many instances, very discouraging. I noticed one particular story in the United Kingdom where there was an attempt to relocate workers. It is told that a party of loom-tuners and their wives were taken by coach to visit another works in the same organization in a different part of the country. They were provided with hotel accommodation and taken to see the works and the surrounding district, in the hope that at least some of them would decide to take up employment there. These were people who were going to be out of jobs in the mill in which they were then working. But not one man accepted the offer, after this great party they had been given to go and see the new mill. Similarly, the French government and the E.C.S.C. made provision for the transfer of 5,000 miners about to be displaced from the Centre-Midi coalfield to Lorraine. When only about one tenth of them moved, the plan was shelved. One tenth were willing to move, but nine tenths were not. The same situation has been found in New England textile communities.

Even though there is very great hardship involved in staying put, geographical mobility has not been sufficient to remove these workers from what seem to be generally called depressed areas. People do not want to move. Sometimes, because of habit, inertia, old ties or whatever may be the cause they would rather stay where they are with only half the wages than move to a new area. Unless we are going to insist that people move out of areas to areas of better potential, we must try to make some provision for a better life in those areas.

We should of course continue to encourage as much mobility of labour as we can. In most European countries it is a two-pronged policy; on the one hand you continue to encourage the mobility of labour, you continue to encourage people to move to areas where the potential for growth is better; but on the other hand, knowing that you cannot always get them to move, you initiate policies which will at least provide a reasonably adequate life for them where they are.

One of these policies is to induce industry to settle in these areas. Inducing industry to settle in these areas has, of course, another purpose. Most countries are reluctant to see only certain centres built up too much; they do not want to see too great a congestion. The United Kingdom, for example, is really

concerned that the area around London become too congested. Similarly, in Canada I think we should become concerned if the area around Toronto, the golden horseshoe or whatever it is called, should become too congested. Certainly I would wish it would come a little further east along the lake into Northumberland county.

Some hon. Members: Shame.

Miss Jewett: But for social reasons, and not only for economic reasons, we are concerned that we do not simply focus on certain areas in our country. This, I think, is particularly true for us in Canada. We do have a nation from sea to sea; we presumably want to keep the nation from sea to sea. I was discussing this question the other day with a former colleague of mine, Professor Porter, who is probably the most perceptive sociologist in Canada. He was saying it is nauseating to realize that the myths by which we live are geographical—from sea to sea. The myths the United States live by are social—all men are born equal. The myths that France lives by are social—liberty, equality, fraternity. But poor old Canada, we do not have these kinds of charter social myths; we have geographical myths—from sea to sea. But, of course, we do have a lot of geography. It has been our big problem, and is our big problem today—to make our nation a viable entity from sea to sea. This is what we are struggling with most of the time.

Policies such as are being introduced in these amendments help, I think, establish us as a nation with a national identity; to encourage an at least comparable growth of certain areas which have been depressed and are slow growth areas of Canada; to bring them along in the hope that they will be able to share more amply and, if possible, equally, with other areas in the country in the future, wherever they may be. Therefore I think this measure is a particularly important one for this country when we are stretched out on such a fine ribbon and where we do have particularly strong pressures coming upon us from outside.

The measures that are being taken to encourage new industries to settle in certain areas of chronic unemployment and slow growth are fiscal measures. Of course, this is because the federal government of this country still controls, and I hope, despite what the previous speaker suggested, will continue to control the fiscal power. Indeed, if the federal government of this country loses control over the fiscal power we might as well shut up shop as a nation—

Some hon. Members: Hear, hear.

Miss Jewett: —because the federal government has this means in its hands, the tax power. It can use this tool in such a way as to achieve the end we all have and about which I have just spoken.

Countries in Europe that have pursued policies of helping certain slow growth areas have used other tools, and I thought I would just say a word or two about these because they may well in the future be useful in Canada even at the federal level, and certainly at the provincial level. The United Kingdom pioneered the development of national policies to attract firms to industrially depressed areas, and has perhaps carried such measures further than any other country. I was reading the other day that in the 1963-64 budget, for example, the government of the United Kingdom is giving direct grants to firms that will move into designated areas, amounting to 25 per cent of the cost of the buildings and 10 per cent of the costs of plant and machinery. These are direct grants to firms moving into these areas—something we have not yet even touched, of course, in this country. The British government also provides very substantial loans—indeed, practically all European countries do—to private enterprises that are going to certain designated areas.

In Britain, too, there is, as we all know, the location of industry policy whereby people are not told they have to go to certain areas; what happens is that before they can go to an already built-up, congested and rapid growth area they have to have a licence, and the government can decline a licence, thereby suggesting to them indirectly that they go somewhere else, and particularly to an area that has been designated. That is, again, a power we have not yet got at the federal level, although I see no reason in the world why much more could not be done along this line by the provinces than is done at the moment.

Similarly, in the United Kingdom they use the fiscal power. For example, all firms in their development districts are allowed to write off their capital costs as fast as they like. There is much expenditure of social capital too, grants to municipalities, and so on, for improving public services in the designated areas. I may say here I think the economists agree that the provision of social capital alone is not sufficient to raise these designated areas to the level of industrial development which one would like to see. The provision of roads, power, communications and the like will not suffice to stimulate industrial development to the extent which appears desirable; one has to provide more direct grants or concessions of one kind

or another for specific aid to industry to get this kind of development. Certainly this has been the experience in southern Italy, and other nations as well.

In France too there has been a great emphasis on regional development and on trying to induce industry in areas where industry is most needed. Indeed, the whole of the last French plan was devoted to the regional aspect of economic development. The French government also makes grants up to about 20 per cent of the total investment costs borne by an enterprise if it goes into certain designated areas. It makes generous loans and a number of tax concessions for area development, reductions of income tax, accelerated depreciation, and so on, much as we are doing. Similarly, as in England there is a withholding of licences so as to guide industry into certain areas.

In northern Ireland perhaps the biggest steps have been taken. Grants may amount to as much as 33⅓ per cent of the cost of factory construction if an enterprise will go into certain areas of the country. Other grants are made toward machinery and equipment costs. In Belgium the emphasis is on low-interest loans. The government there subsidizes a private lending institution so that loans can be secured at only 1 per cent for firms going into certain designated areas. Belgium emphasizes tax exemptions too. It may be interesting to note—and this relates to what we are doing here—that in Belgium they are granting 30 per cent of the profits earned by a firm during the first three years. Only 30 per cent and they think that is terrific. In Belgium they allow tax exemptions on 30 per cent of the profits earned in the first three years in a development area.

The proposal we are putting forth is that you get a complete tax holiday during the first three years. The Belgium government also does other things. It purchases or builds factories and rents or sells them at reasonable prices. In Sweden, the Netherlands and other countries similar things happen. Even in the United States, with its area development act which finally became law in 1961, efforts are made to encourage industry to go into designated areas. So that a very great variety of tools have been used. Direct grants to industry are perhaps the most effective of all the different tools which can be used to encourage industry to go into certain places, and practically all the western European countries use the direct grants technique. But although this may be the most effective it is not one perhaps which we are ready for in this country. Personally I think it will come, and may well have to come, at the federal level if we are going to try to achieve national objectives. However, as I have suggested, the tax concession technique has been used by most of these countries—Britain, France, Belgium, Ireland, and so on—and I think the general consensus on reading the literature on this question is that this is an effective device for encouraging industry to go where you want it to go. It is more indirect and it is perhaps a little more cumbersome than the grants system, but it has been fairly effective.

Taking the measures as a whole I might say a word about their success in some of these countries. Great Britain has, of course, been learning the most about these measures, because it has had them for the longest time. Indeed, they started with them back in the thirties, although they did not become really effective until the post world war II period. Between 1946 and 1957 the relative severity of unemployment in the development areas compared with the rest of Great Britain fell from nearly two and a half times to somewhat more than one and a half times, so this has been moderately successful. This amounted to an expenditure of about £90 million. However, I think most economists would argue that the cost, as an annual equivalent, of direct assistance to industry for a new job has usually been much less than the cost of unemployment pay. In northern Ireland, which has had a particularly vigorous program in this area, it is estimated that about 38,000 jobs have been provided by relocation of industry measures. In terms of northern Ireland's economy that is generally considered a relatively successful program.

The most interesting study I came across when I got interested in this whole field was the report of the joint working party on the economy of northern Ireland which came out a year ago. I think that any member who is interested in this whole problem should read this report. It is not entirely sanguine that the incentives we are discussing can ever be entirely successful, and it concludes that many other measures are also necessary. It is suggested that they will have to focus on the movement of labour out of certain areas. There are certain areas where it is just not economically feasible, nor even indeed socially feasible, to encourage industry and new plants to locate. So in the conclusions of this report they do not go entirely all-out for techniques such as we are discussing; they also suggest that the government should continue to pay attention to the relocation of labour, and they place great emphasis on the

need for a much more skilled labour force and more technical education: the kind of thing which we at last in this country are becoming aware is so essential to industrial growth and prosperity.

The kind of tax incentives we are providing are really more generous than any I discovered in any other country. But, of course, I think this is essential in view of the fact that we do not have the other techniques, or we feel we cannot employ other techniques of assistance. We are not giving direct grants to industry. We are not giving direct loans to industry to settle in these areas. We do not have location of industry policies at the federal level, and therefore perhaps need to provide a bit more by way of tax incentives. There has been some suggestion that these tax incentives themselves will not really be sufficient to attract industry to the designated areas since during the first three years a new firm is not likely to make very many profits. However, as the minister and others pointed out, in fact a new firm is going to be pretty well tax free for somewhere around six years, because claims for accelerated depreciation can be deferred until after the so-called three year tax holiday, and therefore the firm will be able to pile up sufficient write-offs to avoid paying income tax for another three or four years. Therefore it seems to me that these are really very substantial incentives to industry.

There has been a great deal of talk—the hon. member for Pontiac-Temiscamingue (Mr. Martineau) mentioned this—to the effect that these incentives are discriminatory. The Miniser of Industry (Mr. Drury) said the other day: "Of course they are discriminatory." The whole purpose of these tax incentives to new industries going into designated areas is that they will go into certain areas. If they did not go into those areas but went into the Torontos of this world, our measures would not have any point. So they have to be in a sense discriminatory. You have to encourage industry to go to one place rather than another. I was amazed when the hon. member said that somehow it was interfering with free enterprise, as if the market was really working correctly and in a true free enterprise spirit. If it were, we would not need these measures at all, because there would not be any areas of chronic unemployment or slow growth. It is drawing a red herring across the trail to suggest that somehow by designating certain areas for industry we are interfering with a "free" market. What we are trying to do is to make for a more equitable society through a measure such as this.

As to the way in which the areas were chosen, this has also been criticized a good deal by hon. members opposite. I would not think there is anything absolutely rigid about the designation of areas. If experience shows that some other method of designating areas will be better I am sure it will be done. There is nothing immovable or unchangeable about the way it has been done. I might add that in Europe, in all the countries I have studied, the usual method of designating areas is to take account of the level of unemployment and the rate of economic growth over a period of time. The real issue in these other countries does not concern the criteria used but the question of how large these areas should be—should they be very large, a trading area for example, or should they be small. There are arguments on both sides. If an area is very small there could be an immediate and profound impact but, generally, it is thought an area should not be too small or there would be poor prospects of self-sustained growth in the future. On the other hand, an area should not be too large. If, for example, the whole of the maritime provinces were to be designated, the effect of differentials would be entirely lost.

The method adopted here seems to me to be a reasonably good way of designating areas, using statistics on unemployment and growth over a period of time.

Mr. Fisher: I wonder if the hon. lady will tell me where the growth figures are contained.

Miss Jewett: I would be glad to put one table on record in *Hansard*. As the hon. member rose I was about to say that one of the criteria used is employment changes during the years 1959-1962. The table I should like to put on record relates particularly to Brantford and to the five adjacent communities. When we take these figures for all the different national employment service areas of Canada we get a picture of what the economic growth of an area has been. For example, the economic growth of the Brantford area has been about one sixth of the national average over this number of years.

Mr. Deputy Speaker: Does the hon. member have permission to place this table on *Hansard*?

Some hon. Members: Agreed.

[*Editor's note: The table above referred to is as follows:*]

EMPLOYMENT SUMMARY

	In labour surplus Category % of 48 summer months. Years 1955–1962	Employment Change. Years 1955–62	In labour surplus Category % of 18 summer months. Years 1959–1962	Employment Change. Years 1959–62	Employment changes by year during years 1959–1962		
					1959–60	1960–61	1961–62
BRANTFORD....	87	+ 2.2%	89	− 7.4%	− 7.0%	− 1.6%	+1.2%
Guelph.....	21	+19.7%	39	+ 2.4%	− 4.3%	+ 2.2%	+4.7%
Galt.....	21	+22%	28	+ 6.2%	+ 6.1%	− 6.0%	+6.5%
Kitchener.....	4	+30.4%	11	+ 9.8%	+18.6%	−14.0%	+7.7%
Woodstock.....	15	+35%	17	+ 1.1%	− 0.8%	− 3.8%	+5.8%
Stratford.....	2	+31%	0	+12.6%	+ 4.8%	+ 0.6%	+6.8%
		National Average 15%		National Average 4%			

Mr. Fisher: What is this statistic of economic growth? Is the hon. member suggesting it is the rate of employment? Is it the rate of unemployment? Is it the number of people in the labour force or the number of jobs created? I cannot follow her.

Miss Jewett: It is based primarily on the rate of employment growth.

Mr. Fisher: I disagree.

Miss Jewett: There are other and more discretionary ways of determining whether an area is capable of future self-sustained growth. I am not sure the bare figures of employment growth are enough to enable one to say that an area is capable of future development and, particularly, of self-sustained development. I would agree with the hon. member as to this. However, I think this method gives a good general picture of the growth of one area as compared with another over a period of time.

The point I wish to make is that with regard to these areas we are using figures and statistics from the past which are, after all, the only ones relevant if it is intended to use objective criteria. But in order to be able to choose areas which have a real potential for expansion on a self-sustaining basis, other factors must be taken into consideration, as is done in most European countries. This involves the use of a great deal more discretion, and the possibilities in this direction will increase when we are mature enough to allow this discretion to be exercised, and not to complain, for example, that a certain area has been designated or excluded for purely political reasons. In Sweden, this selection is done entirely on an ad hoc basis.

[Mr. Deputy Speaker.]

I think there is a lot to be said for this method, especially when one is thinking in terms of future potential. But, for the time being it seems to me that the criteria which have been used in this case, namely, employment and unemployment figures over the past eight years, are perhaps the best which could be used in the circumstances, and that the size of the areas designated is also the best which could have been arrived at.

I do not think that the rules governing designation are immutable, as were the laws of the Medes and the Persians. Changes can be made as we see how they work out in the course of time.

It has been suggested by the hon. member for Burnaby-Coquitlam that not nearly enough people in our labour force are affected by these tax incentives. Actually, 10 per cent of our labour force will be aided by this measure. This is somewhat below the percentage in Europe where between 12 and 15 per cent of the labour force is affected by relocation measures. Perhaps we should bring the percentage affected in Canada to a higher level in future, as we see how the legislation works out.

Having said this, let me add that it is important, in trying to provide for a more equitable rate of growth and a higher level of employment in certain areas in Canada, that we should work as closely as possible with the provincial governments. My impression is that many of the provinces have not yet got their teeth into this problem. I know the province of Quebec has for a long time wished to encourage industry to move away from the Montreal area, but as far as I know they have not used any of the tools at their disposal to bring about this result. I think the

federal government should work very closely with the provinces in this connection. The Minister of Industry has suggested that consultations have already been held on this subject. This is a national problem, just as the total question of unemployment is a national problem, and both levels of government must be concerned about its solution.

Finally, we must not forget that although these areas of chronic unemployment are always areas of difficulty, the basic need in this country is the raising of the aggregate level of demand. The total level of employment must therefore be raised. Chronic areas of unemployment will also be better off, once there is a high level of employment and income generally in Canada.

[*Translation*]

Mr. Perron: Mr. Speaker, while the hon. member for Northumberland (Miss Jewett) was making her comments, I asked if I could put a question to her. Since she told me to wait until she had finished her speech, I wonder whether I could put my question to her now?

Miss Jewett: Yes, Mr. Speaker.

Mr. Perron: Mr. Speaker, if I am not mistaken, the hon. member suggested that I had made a pre-election speech. I would ask her then if, in her opinion, we should not take the same stand before and after an election.

I would also like to ask her this other question: Is it not because of the sharp contrast between the monetary policy advocated by our hon. friends opposite prior to the April 8 general election and the complete turnabout they have made since that she feels our speeches rather sound like campaign speeches?

[*Text*]

Miss Jewett: Not at all, Mr. Speaker. I just thought it sounded like a hustings speech rather than one based on reason.

Mr. D. R. Gundlock (Lethbridge): Mr. Speaker, the house has listened this afternoon and previously to a great deal of discussion about areas. We have listened to discussion about areas, local areas, provincial areas, national areas, international areas and even economic and political areas. I simply want to bring one matter to the attention of the house and I am almost at a loss as to the area of approach to this question. It is the area—I cannot get away from the word "area" because I have listened to it so long this afternoon—between the actual legislation and the application of the legislation as we know it back home in our constituencies, or as Mr. and Mrs. Jones know it on the street.

I should like to bring an example to the minister's attention. Although the situation may not apply only to the Income Tax Act I realize we are confined to that act and the amendments. I could take a great deal of time this afternoon in going through the amendments clause by clause, but I have no intention whatsoever of doing so. I hope the minister will pay some attention to the point I wish to put before him. I know that probably his first answer will be that the problem is an inherited one from the previous Conservative government, but if we are faced with that answer I will have to remind him that we have been confronted with it under many previous administrations. I am honestly and conscientiously bringing this to the attention of the minister in the hope of some kind of improvement. Members of the house have heard about the same problem not only concerning the bill before us but also with regard to other legislation throughout the years. Admittedly I have not been here very long, but from reading *Hansard* I know that the same problem has been raised.

It is all right to talk about international areas and other geographical areas. We talk about France and many other nations, but to my mind we have not approached the problem which I wish to bring to the attention of hon. members this afternoon as I have on previous occasions. The problem simply concerns the difference between the actual legislation and the application of the legislation, and to attempt to make myself clear may I give an example, though not a specific one. We discuss the legislation here time after time but when we go back to our constituencies we hear complaints and pleas. What do we find when we go back to our constituencies? There is nothing in the legislation concerning the problem I am bringing forward.

I realize this is not a grievance period. I am only attempting to present something to the minister for his consideration. I think we are quite fortunate in having an author as Minister of Finance. I think this is a good time to have such a minister for the consideration of a matter of this kind, because the gap between the legislation and the application thereof is so wide.

I should like to bring a short example to the minister's attention. I have had complaint after complaint. Indeed, I would think all Alberta members and other members from rural constituencies who have anything to do with the farming population have also had complaints. We heard something earlier about the purchasing of sale agreements. There are a lot of concessions in this regard in certain areas. I cannot get away from the word "area". If I may put the example briefly, it

has to do with farms where there are rocks or stumps, or anything else that prevents the easy application of farming methods. This is often the case in Alberta and I am sure in Ontario and other provinces.

A certain area of land is purchased under an agreement for sale with the intention of tilling, cultivating and putting in a crop in order to earn income. I could go through all these sections, Mr. Speaker, but under the capital allowance provisions we are allowed or disallowed a certain amount for improvements. Whether it is the initial removal of rocks or roots or clearing, or even the application of fertilizer, does not make much difference. In grey soil areas particularly there is a need to fertilize in addition to clearing before anything can be grown.

I am speaking particularly about clearing, which involves a cost the same as anything else. There is a certain allowance and it can be very great. It varies. Some people probably clear and break virgin soil for practically nothing. Other people spend as much as $20, $25, $30, $35 or $40 an acre to bring the soil into production.

I hope I am not wandering too much but I am simply trying to set forth this example. I realize the minister is going to say almost immediately that this is an inherited problem which the Conservatives had and did not do anything about and I have to say, of course, that the Liberals also had it and did not do anything about it. But I do not really mean that. The point is that year after year a certain percentage of the people are usually faced with the same problem involving the removal of rocks and have to make expenditures which are not allowed under the Income Tax Act and which I think should be allowed. I should like to draw this matter to the attention of the minister.

Mr. Weichel: I rise on a question of privilege.

The Acting Speaker (Mr. Batten): Is the hon. member rising on a question of privilege?

Mr. Weichel: Yes, Mr. Speaker. On Thursday, October 24, 1963, as reported at page 3957 of *Hansard*, the hon. member for Winnipeg North (Mr. Orlikow) made a statement which concerned one of the top industries in Kitchener. He said, in part, as follows:

> The Canadian economic foundation is an operation which exists mainly to extract funds from reactionary and gullible employers who desire to fill the minds of workers in Canada with anti-social free enterprise propaganda. This organization has been used by two companies which have contracts with the United Steelworkers of America, namely Joy Manufacturing of Galt and the Toronto Iron Works. It has been used by the Dominion Rubber Company of Kitchener with very disastrous effects on the rubber workers union.

[Mr. Gundlock.]

Since this company is located in Waterloo North, Mr. Speaker, I was quite concerned over the remarks made by this hon. member. I have communicated with this firm to find out if such an accusation were justified. I was told by Dominion Rubber Company that such a statement is absolutely false. I might mention that this company in Kitchener pays a higher wage rate for similar jobs than most other companies.

Mr. H. W. Herridge (Kootenay West): Mr. Speaker, the hon. member for Nanaimo-Cowichan-The Islands (Mr. Cameron) dealt very fully with our criticisms of the budget and gave our alternatives. I presume it is safe to say that a good portion of this bill is already in operation. Then, when we come to consider the time factor, we have a lot of business to do in this parliament before it ends. When we consider also that we have a royal commission on taxation giving study to these questions, I think these are sufficient reasons for me to be as brief as reasonably possible.

I rise this afternoon, Mr. Speaker, to bring to the minister's attention the complete irresponsibility of a United States subsidiary company in southern British Columbia. I bring these facts to the attention of the minister because I trust consideration will be given to them when dealing with the fiscal and taxation policies needed to meet this type of situation. Several times this afternoon the question of United States control of our economy has been mentioned. It seems to be on everybody's mind.

Before going further, I wish to say that the minister took what, from our point of view, seemed somewhat timid steps to correct this situation. I personally feel that many people have been unfair to him, and in some cases the very persons who were urging action in this direction. For the first time in Canadian history a minister of finance has recognized by the steps he took, although from our point of view they were timid and somewhat ineffective, the threat to our Canadian industries and Canadian resources from United States control. While we wish he had taken more adequate action, we have other alternatives to deal with the situation, as was indicated by the hon. member for Nanaimo-Cowichan-The Islands. However I think we should do all we can to help him along on this very difficult, and shall I say, darkly lighted road at the present time?

Before proceeding, I do wish to quote from a statement made by Mr. James Muir, who was president of the Royal Bank of Canada in 1954 because it indicates this has been a

continuing problem which is becoming worse every year. In 1954, Mr. Muir said:

> It appears that American capital is going to own Canada. We are getting into the position where, very definitely in the economic sense we are becoming an American satellite. I object to Canada's being regarded as either an economic or political annex of the United States... my fear at the moment is that the government by its inaction is selling Canada into economic bondage.

Before proceeding with my illustrations of the actions of this company in southeastern British Columbia, I want to say it is because of governments inaction we face the present situation in this country today.

Now, Mr. Speaker, this is a rather interesting case. One would hardly credit that such a situation would occur in this country, that a United States corporation would show so little regard for the Canadians who work for it. On October 6, the strike of the mine workers employed by Reeves MacDonald, entered its sixth month. The last agreement with that company expired almost one year ago. In December last a conciliation board, chaired by W. J. Asseltine, recommended a 7½ cent an hour increase, plus 2½ cents an hour company contribution to a severance plan and some improvement in annual vacations. This recommendation was rejected by the company and by its United States representatives who came across into Canada to negotiate with the men concerned.

There have been two meetings called by the provincial department of labour officers in an endeavour to settle this dispute, but the company steadfastly refuses to accept this conciliation board report. The latest meeting held in Vancouver on October 7, under the chairmanship of William Sands, deputy minister of labour, did not resolve the issue. The president of the company, Jens Jensen from Spokane, expressed his opinion—mind you, this is a company exploiting large mineral resources in British Columbia—that the workers in Canada should base their wage demands upon wage rates in effect in South America, and not on the wage rates paid by the same company for the same work in the United States. In my opinion, this statement made the issue not one of economics but a matter of national subservience.

Here are the facts, Mr. Speaker. I bring them to the minister's attention because I think this is the type of situation to which serious consideration will have to be given. The Reeves MacDonald mine is a subsidiary almost wholly owned by the Pend Oreille Company which is closely tied up with the Bunker Hill smelter, a very large corporation in the United States. The mine is located on the border of British Columbia and the state of Washington. Workers on the Canadian side of the river, working under the same management, and in the same ore body, receive 48 cents an hour less for the same work. This United States subsidiary refuses even to pay the area rate which has prevailed for some time in the southeastern part of British Columbia. In Salmo the Hudson bay mine has a miner's rate of $2.26½ an hour while Reeves MacDonald pays the miners $2.04. Even if the whole conciliation board report were accepted by the company, the wages would be much less than those paid in the adjacent mine.

Since negotiations started with this company over a year ago, the prices of lead, zinc, silver and cadmium have risen sharply on the market and there is a shortage of lead. The mine stays shut because the company refuses to pay the prevailing rate of wages, and the president has suggested that Canadian workers should accept the level of wages existing in South America.

Since the operation commenced this company, taking full advantage of the tax free period, has made over $4 million in profits. Reeves MacDonald is not a very large operation but it does employ somewhere around 100 miners, and in this respect I want to bring to the minister's attention some news items which appeared in the *Northern Miner* of May 8, 1962 and May 9, 1963, to prove that this company, which refuses to pay its workers the prevailing rate of wages and which has closed the mine down, has been milking this corporation and paying its profits into Pend Oreille mines in the United States.

I shall only quote one paragraph, and this is from an article entitled, "Pend Oreille profit shows modest gain":

> In addition to production revenue, Pend Oreille received $74,862 other income and $279,811 dividends from its Canadian subsidiary, Reeves MacDonald Mines.

This mine was operating at a good rate of profit, and the profit was being paid into the Pend Oreille Company in the United States. The company has refused, for over a period of six months, to pay even the prevailing rate of wages existing in the area. Consolidated Mining and Smelting Company is a large operator in that area and has a prevailing rate throughout the district in all its mining operations, which rate was established as a result of collective bargaining between the union and the company; but here is a company making a good profit and paying it into the coffers of Pend Oreille Company in the United States, yet it refuses to pay the prevailing rate of wages. As a result of this these miners have been on strike, and rightly so, for over six months, during which time

they have been receiving the moral support of local communities.

There is also the question of the depreciation allowance.

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

Mr. Herridge: Certainly.

Mr. Moreau: I was just wondering whether, in this story of the Reeves MacDonald operation, the hon. member would be able to supply the figures of what the cost would be to the mine if it paid these additional wages? It does not seem to me that $279,000 in dividends is a very large profit for a mine. Could the hon. member supply the costs?

Mr. Herridge: I have not got any figures as to the costs, but the point of my argument and that of the union representing the miners, and of the miners themselves and the communities supporting them, is that the price of metals has gone up considerably in the last six months. I have talked to mining engineers employed by other companies in the area, and everybody who understands the situation knows that this company is treating these miners unjustly, and is not accepting its responsibilities to the Canadian workers and the Canadian economy by allowing the mine to be closed up because of its refusal to pay reasonable wages under these present circumstances.

I might say, in reply to the hon. gentleman who asked the question, that owing to the increase in the price of metals, and even before that, the company was well able to pay the modest increases recommended as the result of the unanimous report of a conciliation board, the chairman of which was a former minister of mines in a Liberal government of British Columbia, and who is himself a mining engineer. This man knows the mining industry. I myself know him very well. He is very competent in that field and I give him full credit for that, even though I have often differed with him on political questions. He is not one to go overboard in these matters. He saw and assessed the situation independently, and no one can say with any truth whatever that all the factors were not taken into consideration.

I have brought this unusual situation to the attention of the minister so that he and his officials will have some opportunity to study the question. I suggest that consideration should be given to the lack of responsibility on the part of this corporation, and others who act in the same manner, who fail to accept their responsibilities to the Canadian people and the workers concerned, and to the industry in general, so that something may be done to amend our income tax legislation to prevent these people from taking such irresponsible action while at the same time taking advantage of the provisions of the Income Tax Act.

Mr. H. E. Gray (Essex West): Mr. Speaker, in the few minutes left to me before five o'clock I would like to express my strong support for this bill, particularly because of the incentive measures referred to by the hon. member for Northumberland (Miss Jewett). Most of us have recognized in one way or another the problem of the existence of areas of slow growth and chronic unemployment. Now that we have recognized the problem—and it was recognized in very limited part by the previous administration—it is time to do something about it, and I think the measures proposed in this legislation will go a long way towards dealing with it.

However, the advantage that we propose in this legislation, and in affiliated legislation governing the Department of Industry, is that what we do will not be a chance, secret order in council decision by cabinet, but will be carried out through a permanent agency set up to identify these areas after applying the criteria now embodied in legislation. Mr. Speaker, may I call it five o'clock?

Mr. Deputy Speaker: Order. Would the hon. member move that the debate be adjourned?

On motion of Mr. Gray the debate was adjourned.

Mr. Deputy Speaker: Order. It being five o'clock p.m. the house will now proceed to consideration of private members' business as listed on today's order paper, namely public bills and private bills.

SMALL LOANS ACT

AMENDMENT TO REDUCE MAXIMUM INTEREST RATE

On the order:

Second reading of Bill No. C-14, an act to amend the Small Loans Act—Mr. Orlikow.

Some hon. Members: Stand.

Mr. Georges Valade (St. Mary): On a point of order, Mr. Speaker, I notice that Bill C-14 and Bill C-23 have exactly the same words and are the same bills in essence, even though they have been introduced by different hon. members. I think this is contrary to the rules, and I ask you—

Mr. Deputy Speaker: Order. My understanding is that this bill is not before the house. It has been allowed to stand; therefore it should not be debated.

Mr. Valade: On the point of order, Mr. Speaker, my point is that the other bill is of

a similar nature and is quite identical in wording. Would Your Honour give a decision, because we are doubling these bills?

Mr. Deputy Speaker: I am sure the hon. member would agree this should be done when the bill is before the house. It is not before the house, and therefore this is not an occasion for the Chair to point to any irregularity that is attached to the bill.

Order stands.

RAILWAY ACT

AMENDMENT RESPECTING ABANDONMENT OF BRANCH LINES

Mr. W. H. A. Thomas (Middlesex West) moved the second reading of Bill No. C-27, to amend the Railway Act (Abandonment).

Mr. Macdonald: Mr. Speaker, if I might be allowed to do so I should like to raise a point of order in connection with this particular matter. The point of order, in brief, is that the subject matter of this bill falls, not within the jurisdiction of this parliament but within the jurisdiction of the particular provinces in which the land may be situate, and for that reason it is not competent for this parliament to debate the matter at this time.

I may say, Mr. Speaker, I have the greatest respect for the hon. member for Middlesex West (Mr. Thomas) and out of respect for him I would like to give in a little more detail the reasons for arriving at that conclusion, and I should like to make reference to the appropriate legal authorities that relate to this question.

If I could summarize briefly, Mr. Speaker, the purpose of the bill—and I hope the hon. member will correct me if I am mistaken in this—is to confer upon the board of transport commissioners the power, after it has approved the abandonment of a railway line under substantially the terms that now may be found in section 168 of the Railway Act, to impose subsequent conditions upon a railway company as indicated in the second part of the proposed subsection, which reads as follows:

> —the board shall order the company to carry out such remedial measures in the way of fencing, gates, cattle-guards, weed control, drainage works, demolition, restoration or any other remedy as the board deems necessary.

My submission is that once the board of transport commissioners has made its order decreeing that the railway line is to be abandoned, the board has lost jurisdiction and this parliament has lost jurisdiction over that particular piece of land. The hon. member has made reference to a decision of the board of transport commissioners, which may be found in volume 46 of Canadian Railway Cases. This is the decision in Cairns Brothers *v.* Canadian National Railways. It is a decision of the chief commissioner of the board at that time, the late Hon. Hugh Guthrie, who was at one time house leader for the party of hon. members opposite. I would refer in particular to some remarks of the chief commissioner which are to be found at page 54 of the report. It was an application for substantially the same kind of relief which the hon. member is seeking in his bill. The chief commissioner observed:

> It is to be noted that the requirement for fencing is that the company shall erect and maintain fences upon the railway. Where abandonment of operation has been authorized and has taken place, the right of way through which the railway is operated ceases to be used for railway purposes and is held by the company, not as part of its *railway* qua railway company, but in the same way as land is held by private individuals, subject to any provincial or municipal laws in respect of fencing which may be in force in the particular district.
>
> It is to be further noted that the principal, if not the sole, reason for the fencing requirement in the Railway Act is to prevent cattle from getting upon railway lands and being killed or injured by railway operation. Where complete abandonment of a line of railway takes place, the necessity for fencing the line largely disappears, and the section does not apply. For these reasons the board, in my opinion, has no authority under the terms of the Railway Act to order the railway company to maintain fences upon the sides of its right of way under the circumstances which pertain in the present application.

At the root of the chief commissioner's observations at that time was the principle that there is inherently a conflict between the jurisdiction of the parliament of Canada and the various legislatures in so far as lands which may or may not be used for railway purposes are concerned. As hon. members know, the subject matter of property and civil rights in a general sense has been conferred by section 92 of the British North America Act upon the provincial legislatures, but by reason of the exceptions in section 92 (10) (a) and (c), it has been stipulated that railway lines can in certain circumstances be under the jurisdiction of the parliament of Canada and, more particularly, railways lines connecting one province with any other province. Section 92 (10) (a) or under section 92:

> Such works as, although wholly situate within the province, are before or after their execution declared by the parliament of Canada to be for the general advantage of Canada—

The jurisdiction of the parliament of Canada, therefore, in the case of railways must rest upon those exceptions enumerated in section 92 (10) (a) or (c). I would submit, first, that if a railway line has been abandoned, it has ceased to exist as a railway and the provisions of section 92 (10) (a) cannot

apply because in effect there is not a railway in existence. Therefore the underlying real estate, which is all you have left in the circumstances, must be regarded in the light of the provision that it is a work declared by the parliament of Canada to be for the general advantage of Canada. A declaration may be made expressly or implicitly in legislation, and I would suggest that generally speaking with regard to railway companies it is made by the Railway Act and the relevant incorporation acts of the companies in question.

It is also clear that the parliament of Canada may by subsequent action, express or implied, withdraw such declaration and thereby return the lands to provincial jurisdiction. I would refer you, Mr. Speaker, to the case before the judicial committee of the privy council which may be found in the Law Reports, 1916, Appeal Cases, Volume II, at page 583. This is the case of Hamilton, Grimsby, and Beamsville Railway Company *v.* Attorney General for Ontario and others. Lord Buckmaster, who was then Lord Chancellor, speaking on behalf of the committee observed as follows at page 587:

> Their lordships are clearly of opinion that section 92, subsection 10, never intended that a declaration once made by the parliament of Canada—

That is, a declaration for the general advantage of Canada:

> —should be incapable of modification or repeal. To come to such a conclusion would result in the impossibility of the dominion ever being able to repair the oversights by which, even with the greatest care, mistakes frequently creep into the clauses of acts of parliament. The declaration under section 92, subsection 10 (c), is a declaration which can be varied by the same authority as that by which it was made.

My submission is that the parliament of Canada has by the Railway Act conferred authority on the board of transport commissioners to decree from time to time what works and property have ceased to be governed by the declaration for the general advantage of Canada. My submission, in particular, is that once approval has been given by the board to a railway line being abandoned as part of a railway, and once that has been acted on by the company, the jurisdiction of the parliament of Canada ceases. Under those circumstances the land, while remaining properly the property of the railway company, becomes subject to the laws of the particular province concerned with regard to questions which affect that property, such as fencing, weed control and such matters. In such circumstances, Mr. Speaker, I submit that the jurisdiction of the parliament of Canada has ceased. Therefore the proposed legislation of the hon. member would essentially attempt to confer upon the board a power *ex post facto* to act with regard to land that formerly formed part of a railway and which, by the board's own decision, has ceased to be part of the railway undertaking. That land, by an extension of the same reasoning, has therefore ceased to be under the jurisdiction of the parliament of Canada.

For those reasons, Mr. Speaker, I would submit that, notwithstanding the merits of this legislation, it is not appropriate for parliament at this time to discuss this particular measure; that remedial measures with regard to fencing and the other matters referred to in subclause (2) of the proposed amendment are properly under the jurisdiction of the provincial governments and that application should be made in the provincial legislatures for remedial legislation.

Mr. Thomas: Mr. Speaker—

Mr. Deputy Speaker: Order.

Mr. Thomas: On the point of order, Mr. Speaker—

Mr. Deputy Speaker: With deference to the hon. gentleman, I am prepared to make a ruling now on the point of order which has been raised by the hon. member for Rosedale (Mr. Macdonald). I might say at once that I do not agree with the hon. member and I really do not think it is necessary to continue the discussion on the point of order. I do not wish to interrupt the hon. member for Middlesex West or deprive him of the opportunity of presenting his views on this point of order raised by the hon. member for Rosedale. If he wants to submit an argument on the point of order I will give him an opportunity to do so, although I really do not think it necessary that he do so.

Mr. Thomas: I think the point has been covered in discussing the bill.

Mr. Deputy Speaker: I have listened with much interest to the argument made by the honourable and learned member for Rosedale (Mr. Macdonald). I gather the essence of the argument he submits now is that the bill should not be considered, that it is out of order because it is ultra vires the parliament of Canada. My submission at this time is that it should not be the responsibility of the Chair to the rule whether a particular bill or particular piece of legislation submitted to parliament is or is not within the competence of this house. First, I should like to refer hon. members to standing order 12, which limits and defines the duties and responsibilities of the Speaker.

> Mr. Speaker shall preserve order and decorum, and shall decide questions of order, subject to an appeal to the house without debate.

In other words, this limits the powers and responsibilities of the Speaker to deciding on questions of order, not questions of law. This is further confirmed in citation 69(3) of Beauchesne's fourth edition, at page 59:

Standing order 12 being restrictive should be given the strictest literal interpretation.

I should also like to quote Beauchesne's third edition at page 825, which refers to a ruling of the Hon. Lewis Wallbridge, Speaker, made on June 25, 1864:

The hon. Mr. Howland having moved, that an humble address be presented to His Excellency the Governor-General, praying him to recommend to parliament the payment of the balance due by the government for certain expenses incurred in carrying out the treaty of reciprocal free trade between this province and the United States of America, in accordance with an order in council passed on the 14th day of March, 1863, it was objected that it was contrary to the provisions of the 14th chapter of the consolidated statutes of Canada.

The Speaker said: That according to the usages of the British parliament, he was not bound to decide on a question of law.

To bring this ruling a little more up to date, I should like to refer at this time to citation 71(5) of Beauchesne's fourth edition, at page 61:

The Speaker will not give a decision upon a constitutional question nor decide a question of law, though the same may be raised on a point of order or privilege.

Which is what the hon. member did at the moment he raised it as a question of order. But it shall not be the responsibility of the Chair or the Speaker to make a decision.

Lastly, I should like to refer to a more recent ruling made by Mr. Speaker Lemieux, reported in *Hansard* for June 4, 1925, page 3875:

The parliament of Canada is supreme, and if it should pass any act which is ultra vires, the courts would decide the validity of such act. It is not for the Speaker to declare—although he presides over the highest court in the land—as to whether any proposed legislation is ultra vires—

For these reasons, and in view of the citations to which I have just referred my hon. friend and which I have brought to the attention of the house, I cannot agree with the validity of the point of order raised by my hon. friend. I now recognize the hon. member for Middlesex West (Mr. Thomas).

Mr. W. H. A. Thomas (Middlesex West): Thank you, Mr. Speaker. This matter is somewhat technical. I have tried to condense what I have to say into as few words as possible, so I ask the indulgence of the house to stick closely to my notes.

This bill, No. C-27, was first introduced in the session of 1962. It was debated on February 9, 1962, and is reported on pages 742-749 of *Hansard* for that date. As often happens with private members' bills, time ran out before a decision was reached. The purpose of this bill is to provide the board of transport commissioners with both the authority and the responsibility for setting forth the conditions under which any railway line may be abandoned. I believe my remarks cover in a general way the argument raised by the hon. member for Rosedale (Mr. Macdonald). I am quite familiar with the argument, and without referring specifically to what he has said I think what I propose as I go along will cover his argument.

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 was to this that the hon. member for Rosedale made special reference. Abandonment can be carried out as an orderly transition for the community if it is done in an orderly manner. If left unplanned and uncontrolled, abandonment can become for many of the people involved a very disagreeable experience.

As a good instance of unplanned and uncontrolled abandonment, I would draw attention to the developments following the abandonment of the Courtright branch of the New York Central railway, in 1960, 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 abandoned 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 and resulted in a livestock nuisance. The right of way subsequently grew up to 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 lots into awkward areas. 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 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 seed inspector has this year 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, may 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 rail-tied 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 re Cairns Brothers, written by chief commissioner Guthrie, November 17, 1936, which rules that the board has no jurisdiction over abandoned rights of way. This judgment was read into *Hansard* for Feb. 9, 1962. Once the rail lines are torn out, the board's jurisdiction over a right of way ends. The board has no right to enforce conditions for abandonment. This bill, as previously stated, aims to provide the board of transport commissioners 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 a planning board representative of the various interests which will be affected. Such a board should have on it representatives of the railway company, labour unions, agriculture and the municipalities concerned. The board should have the responsibility of recommending to the transport board the conditions under which abandonment could be permitted. Its 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.

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 eliminate the nuisance of having parts of farms separated from each other. It would permit the farmer in each case to reincorporate the right of way to the best possible advantage in his farm, and to control drainage and the 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 in which such a representative planning board as suggested could prepare a plan for abandonment. Provision might be made in such a plan for settlement of disputes by arbitration. The services of municipal and provincial planning boards should be used where available. Conservation authorities at various levels of government should also 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 recommend this bill for hon. members' consideration and for the consideration of the government.

Mr. J. J. Greene (Renfrew South): 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. The railways themselves, as well as the parliament which aids and abets them in making these abandonments possible, sometimes forget the history of railroading in this

country. I think it should be remembered, when we are considering the issue of rail abandonment, that these same companies which are today seeking so industriously to abandon these lines for purely economic reasons, completely ignoring any social implications in the areas concerned, were at one time equally solicitous about procuring from the government of this country monopolies to run these lines.

I would remind the house that these railways were granted something which belonged exclusively to the people of Canada, namely monopolies to run lines, exclusive of other competition, in many cases, in the areas affected. I do not wish to introduce any political aspect into this discussion because there has been enough politicking in this house since the beginning of the twenty sixth parliament; but we know that some companies were granted considerable property, mining and mineral rights, and so on, belonging to the people of Canada, in consideration of building the railways. I think it should be remembered that the companies sought these exclusive monopolies from the people of Canada and used them for profit and considerable gain for many, many years. It is singular that when the cream was flowing the railways did not come and tell us how much cream they were getting from these lines. But when the cream got a little thin, and, in some cases, turned to skimmed milk, they came crying back to the people of Canada through the board of transport commissioners and, just as quickly as they could, they tried to get rid of those responsibilities which they had sought in the first place.

I have attended some of the hearings before the board of transport commissioners and, of course, the last thing the railways are concerned about at these hearings is the effect of rail abandonment on the social and economic life of the areas concerned. In fact, they will say promptly that this is not a pertinent issue. In my particular constituency, the west end of the great riding of Renfrew South was at one time a booming and thriving lumbering area. Of late years the prosperity of that area has suffered very considerably by reason of the depletion of the timber limits. As a result the railways did not make quite as much money there as they would like to make. They have been successful in the past few years in abandoning several of these lines and are now in the process of attempting to abandon the last line, the last avenue stretching by rail from the capital of Canada to one of Canada's great national resources, Algonquin park.

They now want to tear up the line between Barrys Bay and Whitney which will cut off the last access by rail between Canada's capital and this great national heritage. Their only reason for doing so is that they are not making enough money. I believe that the railways, being vast corporations concerned only with profits and not with the public benefit will, as private corporations often will, do almost anything that is required to gain their ends. On one occasion the unhappy situation developed of the railway consenting to attempt to run a line profitably for a period of a year and if they were not able to do so they were to be permitted then to abandon it.

The municipalities which had opposed abandonment of the line took the word of the railway in good faith and thought they would in fact attempt to refurbish it, provide a better and more efficient service, advertise, and honestly attempt to make the line pay. Such was not our experience. The railway deliberately and as a matter of planned policy set out not to make money in that year, and to do everything as poorly as they possibly could in order that they might come back to the board a year later and say: "There you are; we told you so; we cannot make it pay; we want to abandon the line."

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. I wonder whether he has gone far enough. In hearing his well presented and documented speech 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—"

Mr. Clancy: May I ask the hon. member a question? He should know the law. If he will look up the statutes he will find that if a line is abandoned it is already set out in the law who owns the land and also who gets the mineral rights.

Mr. Greene: Mr. Speaker, I am not quite aware whether the hon. member—

Mr. Clancy: You have the same statutes I have.

Mr. Greene: If the hon. member was giving me information I thank him for it. I was not aware of that situation in respect of the mineral rights. I am aware of the fact that the freehold on these lines remains vested in the railway in perpetuity if they wish to keep it that way, whether or not they abandon the line. My hon. friend has instructed me that the mineral rights revert in some fashion. If this is so I was not aware of it. What I say is subject to what may be the case in the western provinces where the law in respect of minerals is different from that in Ontario. To the best of my knowledge the mineral rights remain vested in the railway whether or not they abandon the line. I stand to be corrected in this regard, but this is my impression. I suggest that this is neither right nor proper. The railways should have to make a decision. If they wish to abandon lines because they are not making enough money they should have to decide to give the land back either to the abutting owners or to the municipalities or the province concerned. Surely they should not be able to render no service, do as they like with the line and then leave people without any rights either municipally or provincially with regard to the line.

My hon. friend has taken one step in the right direction but I suggest with the greatest respect that we should go a great deal farther. I suggest that the railways should not be permitted to play fast and loose with the rights of the people as they have been doing to date with regard to the abandonment of lines. In the west end of my riding, which I spoke of earlier, this is a matter of very great concern to my people. It was one of the first areas of this great province to be opened up. I have a great deal of sympathy with hon. gentlemen opposite who from time to time have propounded policies for the opening up and development of Canada's north, but I must admit that I have also had some misgivings. I have seen so many areas such as the west end of the riding I represent which have been opened up for many years, in this instance an area close to the capital of Canada itself, and which have been neglected and forgotten over the years. This area was used as long as the timber resources existed, and then it was abandoned to the point that today even the railways are getting out. In some measure it seems to me a contradiction to talk about the building of roads to resources and developing our great north when in some of the oldest settled parts of the country, such as the riding I represent, there has been so little development and apparently so little concern by any government of any stamp about the fact that the area has been left forgotten, neglected and undeveloped.

Believe me, in the area to which I have referred lack of opportunity has made itself felt not only in one generation but in two and three. There are no schools there, even at the elementary level to compare with the schools that exist in more urban municipalities, because there is no assessment, industrial or residential, on which to found a proper school system.

The lack of opportunity, therefore, is widespread in an area such as this. These people have been living now for some generations in the hope that at some time the pendulum would swing the other way, and that the days they knew when pine was in its prime would return by way of industry. In this way, new opportunities would be created. The railways went into this area very early in order to make profits when the pine was moving, and when they see even the railway pulling out it is a symbol to them that perhaps even the government of this country has given up hope.

I suggest that at these hearings before the board of transport commissioners, the only issue is public convenience and necessity. Of course, the financial statements of the railway are important. How many dollars are they losing; that is of great concern to the board of transport commissioners. As I said earlier, the railways are very adept at making up financial statements which indicate they are losing money. They are very slow and remiss in doing those difficult things that are needed to make the railways in these poor areas a little more prosperous. The railways just want the lush pastures. They want to leave the tough parts to the buses. This is the attitude of the railways. Well, the financial statements are pertinent.

Is there some other means of transportation? This is pertinent to the inquiry by the board of transport commissioners, and is called public convenience and necessity. However, there is very little else that is pertinent. It is not relevant to know how many dollars this railway made on this line before they decided to pull out. The board does not want to hear about that. They just want the picture now. The board does not want to hear whether this railway will provide a means of access for future industrial or tourist development. Again we in South

Renfrew know that one of our faint hopes lies in the growth of the tourist industry. We do not have the ready access to the area we should have to make that possible. When the railways are removed, there is just one other means of access that no longer exists which would help us to develop the tourist industry.

Surely, at the very least, it should be a relevant issue before the board of transport commissioners, whether or not the removal of the railway will impair the future economic growth of the area. To the best of my knowledge, this is not a pertinent question and this parliament must be held responsible for that. If these issues are not relevant in these hearings for abandonment, then the ultimate responsibility rests in this parliament which makes the laws governing the operation of the board of transport commissioners.

I suggested, Mr. Speaker, that this entire problem of railway abandonment should be given another look to ensure that these powerful concerns which in the past have made great profits on these lines should not be allowed to abandon them at the first signs of the end of the easy money. The railways should be made to sincerely attempt to make these lines pay. I recall very distinctly that at one of these hearings where we were striving on behalf of the local municipalities to have the line kept open, a witness on behalf of the railway was asked, "what have you done to make your service attractive so the people will use it, so that you would not be coming here with a crying towel trying to abandon this line?" We also asked whether they had advertised their service which, peculiarly enough, is something that is very necessary in modern business. We were given this answer. "We do not have to advertise; everybody knows where the station is." This answer illustrates how efficient, how up to date the railways are. This indicates how concerned they are about seeing to it that these marginal lines make a profit so that they can be maintained to serve the areas they are supposed to serve.

No, Mr. Speaker, it is my firm belief that the railways do not wish to make any attempt to maintain lines, except in those areas where the profits are lush and easy. If the maintenance of the line is going to be difficult, if it is going to take imaginative management, if it is going to take the kind of business acumen that every little businessman has to have to survive today, then the railways say, "it is too tough; we want to pull out". Let somebody else do it. While this bill goes some distance towards making the railways fulfil their responsibilities to the people they are abandoning, it should go a great deal farther. At the very least, if the railways pull out, the entire line and the resources, mineral and otherwise below it, should be returned to the public domain. Then, let us see how many lines the railways will want to abandon.

Mr. G. H. Aiken (Parry Sound-Muskoka): I only want to say a few words in connection with this bill, Mr. Speaker, and to move an amendment at the conclusion of my remarks. The hon. member for Middlesex West (Mr. Thomas) has raised a very important matter which I believe is going to become more and more of a problem as time goes on. The railways have apparently come to the conclusion that they must abandon certain lines that are not paying. We have to face the probability and possibility that in the future this problem will become even more acute than it is now. The hon. member for Rosedale (Mr. Macdonald) raised a matter that merits very serious consideration. If we can assume that he has indicated the viewpoint of the government, then there is some question about the validity of this type of legislation. We ought to have this question of validity investigated.

This bill has been before the house on other occasions, and will probably be before the house on future occasions. I hope that each time it comes up the question of its validity will not cloud the issue of the appropriateness of the legislation. One point I should like to raise in connection with validity. There is a very well known maxim in common law relative to highways which is to the effect, once a highway always a highway. I would think this maxim could apply equally to railroads. It might very well be that if the Supreme Court of Canada had to consider whether or not this particular maxim would apply to railway land, under these circumstances it would come to the conclusion that the railway is and remains a federal railway, and within the legislative competence of the parliament of Canada.

For these reasons, Mr. Speaker, I would like to move seconded by the hon. member for Rosthern (Mr. Nasserden):

> That Bill C-27 be not now read a second time but that the Minister of Justice be directed to refer the subject matter thereof to the Supreme Court of Canada for an opinion on the validity thereof.

I may say that just a few minutes ago I gave a copy of this motion to the Minister of Transport, who is interested in this particular bill.

The Acting Speaker (Mr. Batten): Shall the motion carry?

Mr. D. S. Macdonald (Parliamentary Secretary to Minister of Justice): Mr. Speaker,

if I could just refer to a few remarks made by the hon. member for Parry Sound-Muskoka (Mr. Aiken) I would like to make it clear to the house that the remarks I made at the start of this hour were remarks made by me in my personal capacity as a member of the bar, and with doubts as to the constitutional validity of consideration of this question by parliament. They did not represent the policy of the government.

I would say that while I at that time raised some question as to the constitutional validity, I would like, if I might, just to refer to some of the merits underlying the question of constitutional validity, and to refer to the merits which presumably motivated the drafters of our constitution to consider this question and deal with it in this way. It was the intention of the drafters of the British North America Act to place matters of purely local and private nature within the jurisdiction of the provincial governments.

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. 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.

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.

With regard to the maxim, once a highway always a highway, applying here, as argued by the hon. member for Parry Sound-Muskoka, I would point out that the chief purpose of that particular maxim is to assert the fact that it does remain in the public domain. There is no question here as to the ultimate ownership of the land. It remains clearly the property in fee simple of the company, but the real question here is the manner in which it is being used.

The parliament of Canada, under the Railway Act, has conferred on the board of transport commissioners the power to decree the manner in which land shall be used when devoted for the purposes of a railway. When land has been abandoned with the consent of the board of transport commissioners and in accordance with due process of law, then that land has ceased to be within the jurisdiction of the parliament of Canada; and that proposition, as I pointed out to Your Honour at the beginning of this hour, has been amply confirmed by the judicial committee of the privy council, and has been amply confirmed by the body which, under the law of Canada, has chief jurisdiction over questions of law arising in connection with railway matters.

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? I would submit to the house that this question has already been decided fully by the British North America Act, and interpreted as such by the appropriate courts of the land —that the jurisdiction in this respect where land has been abandoned by approval of the board of transport commissioners, rests entirely with the provincial governments, and through the provincial governments in their creations, the local planning authorities, or in the appropriate case in the provincial departments of municipal affairs.

For that reason I do not feel it would be useful putting the crown to the expense of getting an opinion from the Supreme Court of Canada on a question which is eminently clear. What I do suggest is that the very commendable efforts of my hon. friends from Middlesex West and Renfrew South should be directed to the provincial authorities, and it is for them to take action to impose upon the local planning authority the jurisdiction and power to make orders for railway companies with regard to the proper, convenient and socially acceptable use for lands formerly devoted to railway purposes. Mr. Speaker, may I call it six o'clock?

The Acting Speaker (Mr. Batten): Order. I must advise the house the time for the consideration of private members' business has now expired. Before calling it six o'clock maybe the house would agree to go into committee of supply in preparation for the business that is for consideration at seven o'clock.

SUPPLY

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

At six o'clock the committee took recess.

AFTER RECESS

The committee resumed at 7 p.m.

The Chairman: Order. House again in committee of supply, on the estimates of the Department of Justice, vote No. 1.

DEPARTMENT OF JUSTICE

1. Departmental administration including grants and contributions as detailed in the estimates, $1,378,100.

The Chairman: Shall this vote carry?

Mr. Pearson: Mr. Chairman, I know it is unusual for the head of the government to speak on the introduction of the estimates, on item 1, which initiates a general discussion. I do so on this occasion because I want to take advantage of the opportunity to make a brief statement concerning some changes that have been introduced in policy and procedures relating to the security of the operations of government and of the defence services. The fact that I am doing it—and I will be followed by the Minister of Justice—is, I hope, an indication of the seriousness which the government attaches to this problem, the importance which we attach to it and my own interest, as the head of the government, in it.

Security is one of those things that is essential and, at the same time and in some respects, rather distasteful. I think we would all prefer if we could ignore the necessity of security and do away with the procedures and precautions it imposes upon us. Unfortunately, Mr. Chairman, we cannot; we have no immunity from this responsibility. While we in Canada have not had for some years a sharp and immediate shock in the exposure of espionage, that does not mean the threat has vanished or that the necessity to meet it has diminished. We have had ample evidence both here and in allied, friendly countries—recent evidence—that security is as important a matter today as it has ever been.

It is still the responsibility of government to ensure that every reasonable precaution is taken to protect the security of the nation in all its aspects. The security which I am talking about tonight—and it is only one aspect of security—and which must be provided is of two kinds. First, the government must ensure the physical safety of the secret, classified information for which it is responsible by devising effective regulations for its proper handling and proper storage. However, physical security is in itself of little use without the added assurance that the people handling the material in question are people in whom government can have full confidence. It is in this area of personnel security that most of our difficulties lie, in which government responsibility is, I think, heaviest and perhaps most difficult to discharge. An important phase of that responsibility is to ensure that the protection of our security does not by its nature or by its conduct undermine those human rights and freedoms to which our democratic institutions are dedicated.

If our security policies ignored, or did not take sufficiently into account, the basic rights of the individual, they could operate not to defend but to destroy the liberties which are our first concern. The reconciliation of these competing responsibilities and these competing obligations is not easy. Governments in this country, in the United Kingdom, the United States, France and in free countries everywhere have wrestled, and indeed are wrestling, with this problem. There is no perfect solution to it; there is no perfect answer to it. There is no solution that does not entail some risks, risks to security or risks to individual rights, or risks to both.

Mr. Chairman, there have been recent expressions of concern in this House of Commons and elsewhere, not so much about the adequacy or, if you like, effectiveness of our defence security measures as about the fairness and justice to the individual citizens concerned. I recognize, as I am sure all hon. members of the house recognize, that concern and find it reassuring and, indeed, gratifying.

Let me make it quite clear, Mr. Chairman, that the concern which has been expressed about this matter is fully shared by this government, as I believe it was fully shared by those responsible for government in the past. The security measures which have been developed here in Canada, through sometimes bitter experience, are intended to be preventive and not punitive. Their purpose is to protect the safety, interests and indeed the freedoms of all Canadians. They are under constant and continuous review, with the purpose of striking the balance I have referred to between the protection of the state and the protection of the individuals who, in a free society, alone give the state its direction, its purpose and indeed its meaning.

Since they were introduced in this country in 1947, the so-called security screening procedures adopted have, on the whole, worked well, though of course, Mr. Chairman, there have been mistakes. But I believe we have for the most part avoided excesses both of over-caution and over-confidence. There are nevertheless admittedly certain flaws in

the system and it is to these that the government has been directing its attention recently. It is also to these that members have been addressing questions to the government in the House of Commons.

It has been suggested that our security system might be better served by the establishment of a quasi-judicial tribunal to which persons who had been denied employment in government or dismissed from government employment for security reasons might have a right of appeal against that decision. This proposal has been given intensive study by various Canadian administrations over a number of years and the conclusion invariably arrived at has been essentially this: quasi-judicial procedures cannot fairly and effectively be applied to these matters. By the very nature of the security risk and the measures which have to be taken to try to meet that risk, it is often impossible to bring forward for open scrutiny all of the relevant information in any particular case. To some degree the consideration of employee security in the consideration of this problem in judicial or in legal terms beclouds rather than clarifies the issue.

No lawyer thinks of judicial procedures and the canons of evidence when he decides to trust a secretary with private or secret papers. Confidence is not the kind of thing which is always capable of determination by concrete or specific evidence. It may depend on many things—the record of a man, his character and his habits, the nature of his activities, the stability of his personality, the company he keeps, and the pressures to which he may be susceptible. Judgments of character and confidence are important in private affairs; they become far more important when the security of a nation is at stake. But they are not, however, different in their essential nature. Every minister and agency of government is accountable for the security of their operations. Consequently, each must be responsible for the reliability of the people to whom it gives access to the things on which national security may depend.

The granting or the denial of a security clearance is an administrative matter, one of managerial responsibility. In making a decision that an applicant or employee may not safely be given access to secret and confidential information, the head of a department or of an agency is not denying an individual a right. No person, of course, has a right to see official secrets. The department head is merely exercising the judgment he is expected to apply on the basis of all the information available to him in the way that any sensible person would exercise such judgment in hiring a secretary, a cashier, a lawyer or a doctor, ensuring that such person could be trusted with his property, his private business or his physical health. The government also has an obligation to provide itself with every reasonable assurance that those of its employees who require access to the government's, the nation's secrets are loyal and trustworthy and not vulnerable to persuasion, coercion or blackmail.

While it is the responsibility of departments and ministers to take the ultimate decision on the security of their personnel, this is of course done within directions as to policy laid down by the government. The question has arisen whether it might be desirable to have some procedure for a hearing or a rehearing of employees, short of a judicial or quasi-judicial procedure, which would ensure that their side of a case was fairly heard. The United Kingdom and the United States do have such procedures, while they leave the final decision to the agencies involved. So far in Canada we have not had these procedures.

After careful consideration the government has come to the conclusion that the essential advantages of these procedures can be achieved within our system by requiring all departments and agencies of government to do two things which they have not previously been required to do. The first of the new requirements is to inform the person involved when his security or reliability is in doubt and may have to involve his dismissal. Employing departments and agencies will in future be required to tell an employee everything that is possible of the reasons for the doubt, if there is a doubt, and to give him an opportunity to resolve that doubt. This practice has been followed in several departments and agencies of the government for many years, and often with very good results, but it has not been mandatory. There will, of course, Mr. Chairman, be cases, which I think will be few in number, in which the sources of the information giving rise to doubt are such that little or nothing can be told the employee of the reasons for doubt without jeopardizing the sources from which the information comes. In these cases, which will, I repeat, be few in number, there will be an added responsibility to exercise the greatest care to ensure that the employee does not suffer unfairly.

The second new requirement is to ensure that a second look is always taken by a separate body before dismissal is finally decided upon. Once the individual is told of security doubts he will have the opportunity to give his side of the case. The employing agency will consider it, consult the staff of the government security panel, and arrive at a conclusion. It may be to accept the person as reliable, in which case no problem arises.

It may be to transfer him to a less sensitive employment, as has been the case certainly more than once in the past, where he would not have access to secret and confidential material. But if it is that his dismissal must be recommended, the individual will be given a second hearing, this time by the deputy minister or head of the agency. If that interview does not resolve the doubts, and if the agency head agrees with the view that dismissal is necessary, the whole case and the relevant information, including anything that the employee himself has submitted, will be submitted to a board of review.

At this point, Mr. Chairman, I would like to say something about the government's advisory agency on security policy. This agency, which has been in operation now for a good many years, is called the security panel. It is composed of senior officers, mostly of deputy minister rank, who have had years of responsibility and experience in the personnel and administrative fields. Security is not their main or sole responsibility. Advice on policy in this area has to be based not on security alone but on a broad understanding of the nature of our democratic institutions and principles, on the policies of government, on the requirements of administration, and finally, and importantly, on the needs of security.

The government has decided that the board of review to which I have referred should be drawn from the members of the security panel. In all cases they will be men who have not been involved in the particular case. They will come to it without bias or preconception. There is no question at all in my mind but that they will provide as fair, humane and sound an evaluation of every case as can be provided in this difficult field.

The board of review will provide its views on each case where dismissal is recommended. It will then be for the responsible minister, in the light of all the information and study, to decide whether or not to recommend dismissal to the governor in council.

I think, Mr. Speaker, that these procedures are as painstaking and thorough as can be devised to ensure the protection both of the safety of essential classified government information and of the welfare and rights of the employee.

A most difficult aspect of security, and one which has always been a matter of concern, is the necessity of taking into account the character and activities of an employee's immediate relatives, or their places of residence. The question has often and properly been asked: Why should a man be denied a security clearance because his father, his uncle, or even his estranged wife, may have been engaged in subversive activity, or may be an active communist? It is not the kind of relationship, whether by blood, marriage or friendship, which is of primary concern. It is its closeness in degree and the circumstances surrounding it in respect of the nature of the job, most particularly the extent of influence that might be exerted, which must dictate a judgment as to a person's reliability. And reliability, of course, is something more than loyalty. It is usually very difficult to establish this, but that does not remove the need of trying to do so.

The collective experience of all nations of the western alliance agrees on the necessity of exploring these difficult matters and arriving at a considered judgment. This experience also shows that security may be in danger if a person in sensitive employment has a mother, father or other close relative behind the iron curtain. Human emotions cannot be expected to be proof against the possible anguish of a loved one—and the brutal fact is that such anguish may be imposed by those who are ruthless in getting, or trying to get, what they want. These are harsh and unpleasant facts, but they do not go away if we pretend that they do not exist.

I feel confident that the procedures which we are now adopting will assist us in making judgments concerning loyalty and reliability in a manner which will protect individual rights as well as national interests.

In making this statement, I hope I have contributed to a better understanding of the principles and issues involved in this aspect of national security, and the means by which we endeavour to preserve it and discharge our responsibility in government.

I have necessarily spoken in general terms, but if the committee would agree—and I know this is an unusual procedure—my colleague the Minister of Justice could follow me and fill in some of the details.

Mr. Diefenbaker: If you let me precede the hon. gentleman, he could answer me and then the detail could be set out.

Mr. Chevrier: The statement I have to make follows upon that which the Prime Minister has just made and, if I might have the permission of the committee to do so, I should like to make it now. If it were separated from the speech which has just been made, I think the effect would be spoiled.

The Chairman: Is that agreeable?

Some hon. Members: Agreed.

Mr. Chevrier: I wish to say at the outset that I think this is a rare occasion, one of the few occasions which I have seen, at least, in

my long years in the House of Commons upon which the Prime Minister makes a statement on the estimates of another minister. I am not saying it has not been done before. I am simply saying it is a rare occasion and it underlines the importance which the Prime Minister and those who sit on this side of the house attach to this subject.

The committee may remember that the hon. member for Burnaby-Coquitlam brought to my attention, and to the attention of the government, the procedure which was being followed by the Department of Justice and other departments with reference to this matter and I agreed to give the subject consideration, along with my colleagues. I believe the hon. gentleman, together with his hon. friends, thought that this consideration was taking too long but I am sure he will have realized this evening at once, not only by the statement which the Prime Minister has made but by the statement I am about to make, that this is a question which has to be considered in all its aspects, aspects which affect every department and agency of government. That is why a decision with reference to the procedure to be adopted in future has not been reached until now.

I would like at this juncture to make a more detailed statement concerning national security within the context of the statement on security policy by the Prime Minister. In light of the many recent expressions of interest in the means by which the government of Canada protects her secrets and those of her allies entrusted to her, and in light of continuing indications, here and elsewhere, that the need for such protection not only continues but continues to grow, I welcome this opportunity to contribute to a clearer understanding by the people of Canada of the issues involved in this vital, although often misunderstood area of human activity.

I need hardly remind this house of the dangers of permitting information about our defences, the defences of the western alliance or other matters essential to our security to fall into unfriendly hands. I need scarcely recall what happened many years back when certain matters were discussed here and outside. We know that there have been, over the years, undeniably effective efforts of espionage in Canada, in the United States, in the United Kingdom, elsewhere in the democratic countries of the west, and, indeed, through the world.

All the countries of the west know that in addition to the professional agents, a very effective group in securing and passing on vital and secret information are open or clandestine sympathizers with the communist ideology. In their minds they have another—perhaps they think a much higher—loyalty.

[Mr. Chevrier.]

In any event, there is no doubt but that they play a major role in securing information that others want for purposes unfriendly to our objectives.

Apart from the use of such allies or sympathizers, one of espionage's most effective tools has always been the exploitation of human vulnerability, whether of the body or of the mind. In recent years there has been a frightening concentration on the exploitation of human failings to achieve the ends of offensive intelligence. Any evidence of exploitable weakness, whether it be greed, lust, dishonesty or plain stupidity, is carefully documented and may be carefully nurtured. Eventually, through the patient accumulation of compromising evidence, or simply through a veiled threat that a relative may have some difficulty with the police, it is possible for an intelligence agent to apply pressures which may prove intolerable unless co-operation is forthcoming. If it is not, the evidence, whether it is real or concocted or both, is sent anonymously to employers, relatives and friends, often with the result that a promising career is ruined, not to speak of the personal effect on the individual himself.

Should there be any doubt in anyone's mind, let me say at once that these things have happened to Canadians, as we all know, and will probably happen again. For obvious reasons I do not propose to go further into this matter, but I should like it clearly understood that, for reasons such as I have given, the defensive security measures which have been developed over the years are intended not only to protect our secrets but to protect the individuals who, in having access to them, are thus automatically potential targets for ruthless attacks of the kind I have described.

I should like now to say something about the security screening arrangements which have been devised to prevent espionage, as distinct from those intended to anticipate and control subversive activities generally. I do so with some reluctance because the effectiveness of even these measures is usually reduced in providing information about them. At the same time, I fully appreciate how frustrating it is to members of this house as well as to the public generally, who are rightly concerned that individuals be treated fairly, to be faced with official silence on this vital subject. There will always be matters in this area which cannot be discussed fully in public if our defensive arrangements are to have any effect at all. I am sure all members of the house will agree with the principle of that statement. On the other hand, the effectiveness of these arrangements does not depend solely upon the measures or the individuals involved with them. They depend too upon the understanding and co-operation of all Canadians on

whose behalf, in the last analysis, these measures have been instituted.

In many ways the secrecy which tends to surround defensive security measures has clouded the homely fact that these measures are essentially a part of good personnel administration. As the Prime Minister pointed out a moment ago, the purpose of our security program is preventive, not punitive. In deciding whether it can have sufficient confidence in an employee to trust him with its secrets, the government is not deciding whether or not he is guilty of anything nor is it dealing with a person's rights as a human being. No one has a right, and I emphasize that, to have access to secret information any more than he has a right to be someone's trusted private secretary. The employer has a right, indeed in most cases a duty, to entrust his secrets and give his confidence only to a person whom he can trust. In withholding that trust he does not infringe the rights of such a person nor accuse him of a crime. Some inference of untrustworthiness in such a case may be implied or conveyed privately. In some cases, as a very last resort, it may have to become public. In all cases, however, the essential question is simply whether an employee can be relied upon in a position of confidence.

Each department and agency of the government is responsible for the safekeeping of the secret information it holds and must administer, and is therefore required by direction of the government to establish beyond reasonable doubt the loyalty and reliability of its employees who have or may readily obtain access to such secret information.

In the first instance, such employees are asked to provide certain basic information about themselves and about close relatives who may influence them or cause them to be influenced in a manner which would bear on their loyalty or reliability. They are also asked now to give the names of persons as character references. This basic information is provided through the completion by the employee or prospective employee of what is called a personal history form. I might add here that this form, which over the years has been subject to revision in the light of growing experience, has recently been reviewed and revised by the various officers in order to establish loyalty and reliability through future and further investigation. In addition, the employee is required to be fingerprinted in order to determine through a comparison with the central fingerprint records of the Royal Canadian Mounted Police whether he has any record of criminal activity of a nature which would bear on a judgment as to his reliability. If there is no such record, the fingerprints may be returned to the employee at his request.

Next, the completed personal history form is forwarded by the department or agency to the Royal Canadian Mounted Police with a request that it be checked against their records to determine whether there has been any indication of participation in communist or fascist organizations or association with persons suspected of espionage. In some cases a further request is made that the Royal Canadian Mounted Police conduct a detailed investigation of the background of the employee concerned. This necessarily involves conversations with former employers and others who can be expected to be able to assist in judging the trustworthiness of the individual in question.

In providing the results of these investigations to the requesting department or agency the Royal Canadian Mounted Police make no comment—I should like to bring this particularly to the attention of the house—give no opinion and come to no conclusions to be drawn from the information which they provide and give to the department or agency. They simply pass it on with any assessment they can give as to the reliability of the sources of the information. The conclusions as to the relevance of that information and the weight to be given it in light of all the circumstances are solely the responsibility of the employing department or agency and the minister in charge of it.

I should like to emphasize this as it appears to be an unfortunate misconception on the part of many Canadians, both in this house and elsewhere, that the Royal Canadian Mounted Police proffer or are asked for advice or opinions concerning the significance of the information they are asked to provide. In fact, quite the opposite is true, and the Royal Canadian Mounted Police have taken extreme care not to interfere in any way with the formulation of a decision, which is the heavy responsibility of the employing department or agency. Advice in arriving at decisions is available to departments through the interdepartmental security panel, and the Prime Minister has given some information on that panel.

I said a moment ago that the responsibility of arriving at a decision as to an employee's suitability to be given access to secrets was indeed a very heavy responsibility. This is so because the senior officers concerned, and eventually the minister responsible, must ensure that a proper balance is struck between the safety of vital information on one hand and the fair and just treatment of the individual concerned on the other. It is in the making of this decision and in its consequences that the difficulties and dangers lie.

A wrong or hasty or ill-informed conclusion may result in a serious loss of vital information. It may result in a Canadian government employee, his family or his friends, being subjected to intolerable pressures, even though none of them may be seriously at fault and the ruination of careers and reputations through the actions of unfriendly intelligence services. On the other hand, it may result in an able, loyal and trustworthy Canadian being denied an opportunity to serve his country in a position or calling of his own choice. These are some of the possible consequences of an unwise or incorrect decision. It is because the consequences can be so serious that the government has decided to introduce changes such as the Prime Minister referred to earlier. These are changes designed to make more certain that the individual has every opportunity consistent with security itself to give his side of the case. This he did not have an opportunity to do before. Now, he will have this opportunity, not once but twice. He will be assured in future of a chance to present all considerations to the permanent head of his department or agency personally. After that, to be sure that no point has been missed and no misinterpretation given, a board of review drawn from the security panel will re-examine the case. In the last analysis, however, the decision whether to recommend dismissal will be that of the responsible minister.

The new and carefully devised procedures will improve our measures and give a new assurance to individual employees. They will not, however, mean that dismissals will not be necessary in some cases in the future as in the past. When they are necessary, however, every attempt will be made to treat problems of unsuitability on grounds of security or reliability in the same way as other problems of personnel management are treated. Departments will do their best to hold in strict confidence the information they get concerning individuals, and to take any action necessary in a way that does the least possible damage to reputations and self-respect.

I said a moment ago that the Royal Canadian Mounted Police had been charged with the responsibility of keeping the government informed about subversive activity in Canada. As is well known, the Royal Canadian Mounted Police also carry out, on behalf of the departments and agencies of government, the majority of the background investigations I have referred to of present or prospective government employees who are being considered for appointment to sensitive positions. In performing both of these tasks, the police have been subjected at times to public criticism. Some of this criticism has sprung from the university communities in Canada, who have expressed concern over a variety of matters pertaining to security, particularly that our security measures should in no way interfere with the freedom of thought and discussion which is essential to the very purpose of any institution of learning. The government wholeheartedly agrees with this view. In the late summer, the Prime Minister and I had occasion to discuss some of these matters with officials of the Canadian association of university teachers. Those discussions, I believe, contributed to a clearer understanding of the issues involved, and I trust that the statements the Prime Minister and I have made will further add to a better understanding on the part of all interested organizations and individuals of the nature of our security measures and of the reasons for them.

In closing, sir, may I re-emphasize one point? In carrying out their investigative and fact-finding functions in this difficult field, the Royal Canadian Mounted Police do not act upon their own initiative but rather upon instructions from the government of Canada. As a police force in a democratic country, and indeed one of the finest forces in the world, they are at all times accountable, both by law and by tradition, to the government of Canada and through it to this parliament and the people of Canada. They will undoubtedly be criticized in the future, as they have been in the past, for carrying out policies and instructions that the government of the day lays down, within the laws of Canada, as being necessary in the public interest. Mistakes may be made in the future as they have been made in the past. I am certain, however, that so long as these matters are open to public scrutiny and free discussion, we need have no undue concern that essential security measures can deviate far or for long from the principles that are essential to a free and democratic nation. I am equally certain that the Royal Canadian Mounted Police in this, as in other tasks that fall upon them, will do no more than carry out honourably and conscientiously the responsibilities that the government and people of Canada place in their trust.

Mr. Diefenbaker: Mr. Chairman, the matter under discussion is one of the most difficult problems that faces a government today. It is understandable why the Prime Minister should have made a statement this evening as to the policy of the government, for the responsibility of national security rests primarily on the Prime Minister. In discharging that responsibility, he has the benefit of the assistance of the Minister of Justice and the other agencies connected with that department. I found it somewhat difficult to understand the necessity for the detail into which the Minister of Justice went. Certainly, that

detail did not add very much, except in volume of words, to the statement that was made by the Prime Minister.

In the latter part of his remarks he dealt with the Royal Canadian Mounted Police, which force comes particularly and peculiarly under his direction and control. May I say at once that I have known this force from its earliest days. I knew them on the prairies when they were the North-West Mounted Police. I knew them, as counsel, when they were the Royal Mounted Police. I have known them, of course, in the last years since 1920 when they took unto themselves their present name. It is a force great in its heritage, great in its achievements and great in the contributions that it has made to law and order in Canada. I am one who has a peculiar knowledge in that regard, for over the years I acted in the courts from day to day and had on the witness stand, generally on the other side except when I was prosecuting, members of that force. In the hundreds of cases in which I participated, only in one did I find on the part of any member of that force a departure from the elemental justice which has been characteristic of the force.

These criticisms to which the Minister of Justice has made reference are easily made. The force becomes the object of the attack of the individual against the system which they administer. This has its effect. I hope at all times we, and Canadians as a whole, will have that sense of responsibility and not aim our attacks at the force unless there has been, on their part, an injustice perpetrated by them. In that case the other members of the force are generally the first and most immediate judges.

One of the members of the present house, the hon. member for Athabasca (Mr. Bigg), was for a long time a distinguished member of that force, and his father before him. We have had other members of the force in this house. One was General Pearkes, and each and every one of them have served here as they did in the force, to the honour of their country.

I feel, and I am going to be perfectly frank about it, that having the R.C.M.P. act as traffic officers and the like, in carrying out their duties in urban municipalities, has not been in keeping with the tradition of that force, and has had effects that have not been entirely beneficial to the greatness of it. Having said that, I now want to say a word on the subject of national security.

I began by referring to the responsibilities that rest on the Prime Minister's shoulders. From time to time these matters are brought before the people. He carries in his head information in respect to the subject of security that he is almost frightened at times of revealing. The Prime Minister has spoken of the difficulties.

How are you going to maintain security while at the same time preserving and maintaining the fundamental rights of the individual? It is a difficult problem. It is so easy to criticize, but it is so much more difficult, having that responsibility, being desirous of maintaining those freedoms, to be able to carry out one's wishes. Loyalty is expected of all Canadians. It is imperative as a quality of public service.

The maintenance of security is of prime importance to the survival of the state. How often do cases come before a prime minister and he cannot go into the details in the House of Commons. You have the evidence. Often it is secondary evidence; sometimes it is hearsay. The accumulation of hearsay placed before one has an effect, no matter how one endeavours to adopt a judicial attitude.

There are many cases in which the loyalty of the individual is not in question. But that individual may still not be reliable as a security risk, as was stated a moment ago, because of defects in character which subject him to the danger of blackmail. It is in blackmail mainly, not in the greed of the individual as such, that espionage among non-professionals takes place. That was so in the Vassal case in the United Kingdom. It is a fertile field for recruiting by the U.S.S.R., where public servants are known to be the companions of homosexuals. Those are the people who are generally chosen by the U.S.S.R. in recruiting spies who are otherwise loyal people within their countries.

The fear of exposure, the danger that all of us feel that something in our past might be revealed, have a tremendous effect on the mind of the potential spy or the prospective dispenser of security information to the U.S.S.R. The human element is involved. Someone is brought before you who is suspected. He tells his story. If the story is an admission it is generally accompanied by the statement of the individual in question that he meant no wrong, but was acting in self-defence for the preservation of his reputation. Within our own country, in the time when I was prime minister, I do not recall any case in which the activating reason for participation by the individual was monetary gain. The promise of monetary gain from the U.S.S.R to prospective spies is small indeed. The rewards are small and the dangers are great.

What can be done? The Prime Minister has reviewed this at length and in a dispassionate manner. When the Minister of Justice says this just began with this administration, he forgets we worked on it for

several years. We endeavoured to bring about a system which primarily would preserve to the highest degree possible the safety and security of the state while maintaining the rights of the individual.

My life has been in that field, in the preservation of the individual's freedom. Mention was made of universities. You come to a point when, if you challenge my right to think as I will, you destroy democracy. Freedom is never the right to do wrong: Freedom is the right to be wrong. In other words, no matter whether I am a minority of one within the state, so long as I keep within the law and do not endeavour to undermine the state by overt acts, I have the right to advocate that thinking. That is one of the reasons that when people spoke about outlawry of communism I stated it could not be outlawed. It could be inlawed; but you cannot outlaw a philosophy unless overt acts foul the thought of the individual. If you start outlawing the right to think, no matter how strongly you feel about that, you place everyone who is associated with the communists in the position where they must prove to the court that they are not communists. When I came into the House of Commons we had as a member here one who was afterwards convicted of espionage, a communist. If we had had a law outlawing communists, everyone in this House of Commons at that time would have had to prove that, having been associated with this man, they had not suffered from communism osmosis in consequence. That is the danger of these short cuts.

It would be easy to be critical of the plan that is offered this evening. I believe, on the basis of my experience, that the measures proposed by the Prime Minister go a long way to bringing into alignment the security of the state without endangering the freedom of the individual. I feel, and I have felt, that this matter might have been studied by a committee of the house. I realize the danger in that connection, because no matter how a thing is designated in the various orders of top secret, secret, confidential or restricted, the difference between top secret and restricted is too often simply a question of whether a matter appears in the press today or three weeks from now. It is a strange thing how matters that are designated as top secret very soon find their way into the public press.

I feel, too, that in the measures announced the individual will have an opportunity of making known his defence. The step is taken officially that previously was followed unofficially. The individual has had that right, not in consequence of a declaration made in the House of Commons but as a result of its being a rule of practice, without which freedom might very well be denied to an individual. The review of the evidence by a separate body, with the individual having the right to give his side of the case, should go a long way to avoiding and preventing injustice. The setting up of a board of review taken from the membership of the security panel—as I understand the Prime Minister's statement—is a step forward; but I do not think it goes as far as it should. Here you have the security panel, the representatives of the various departments of government. They are the ones who actually examined the case as against the individual. They are then going to sit on appeal, as it were, on the same case that they judged or that certain ones of them judged. I have never been particularly successful in the court en banc when the same judge who sat on the trial sat on appeal in the court en banc. Even though there were two others present with him, his influence was fairly effective.

I do not know the degree to which the government has given consideration to this matter. I felt, when we were considering it, that in setting up a board of review to assure that the individual may not only have justice done to him but may feel that justice is done to him, the board of review should have presiding over it a judge of the Supreme Court of Canada or the President of the Exchequer Court of Canada. It will not take up much of their time. It is a contribution that I am sure either judge would be willing to make. There are not many cases; but when justice is the issue, the number is not of importance. The question is, is justice being done?

I think, agreeing as I do with the desirability of the action being taken along the line indicated by the Prime Minister, representing as it does the study that we made in the past few years, the accumulation of information on the subject, discussions with the minister of justice and by the minister of justice with the commissioner of the mounted police and other law enforcement officers, to add a judge would have a great effect, a major effect in assuring that this board of review, in the findings it would make, would have the benefit of the viewpoint of one who would be entirely detached from the membership of the board and would be able to give to that board experience and knowledge which would be beneficial.

Having said that, Mr. Chairman, may I conclude by saying what I began by saying, that I know the weight of the responsibility that is on the Prime Minister in matters like this—this matter above all. He cannot put it

off on somebody else. He in his person has the custody of our survival and our security. In the views he has placed before the house he has been given the benefit of the study that was made by dedicated public servants whose purpose was to assure that justice shall be done. *Fiat justitia ruat coelum*—"Let justice be done though the heavens should fall".

Mr. Brewin: Mr. Chairman, may I say at once that we in this party welcome the statement that has been made by the Prime Minister. We believe it represents a step forward in dealing with an extremely important and very difficult subject. We believe that the statement constitutes a recognition of the very grave hardships done to individuals by the mistaken application of security procedures. I think that this recognition no doubt owes something to the liberal—and I use the word with a small "l"—tendencies of the Prime Minister and some of his colleagues. I should also like to say that it owes a good deal to the vigilance and effectiveness of the members of the house who, despite official discouragement from time to time have insisted on bringing this matter and individual cases to the attention of the house. I think, for example, of the Knott case where, if it had not been for the persistence of the hon. member for Nanaimo-Cowichan-The Islands the case would have died on the files and a young man dismissed or discharged from the navy in the mistaken belief that his uncle was a communist, as though that had anything to do with the matter. While we welcome this statement we have serious reservations about the effectiveness of the methods and the tribunal which is proposed. Our basic criticism is that this tribunal remains an internal tribunal. It is not a judicial tribunal.

The Prime Minister has given reasons why the government decided not to have a quasi-judicial tribunal, and I acknowledge at once that the ordinary method of appeal and trial is not suitable to the determination of security cases where it is impossible to confront the person affected with all the information. But, Mr. Chairman, I know of a precedent which was adopted in wartime which I suggest could and should have been adopted here. During the war the minister of justice, acting under the powers conferred by the War Measures Act and the defence of Canada regulations, found it necessary to intern quite a large number of individuals, sometimes on mere suspicion. After public representation it was found possible to set up a tribunal, which was not a tribunal of civil servants or department heads or within the structure of government, but included, as I recall it, a member of the judiciary who was free, and bound to be free, from the necessity to consider the internal or departmental matters and who was able to apply a clear judicial judgment to the problems which came before him. Security, of course, prevented the disclosure by the minister of justice of that day of the details and sources of information against the internees, but the outline of the case was disclosed. The internee had the opportunity to give to this independent tribunal his side of the case, and as a result of that many persons were let out of the internment camps and a continuing injustice was remedied. If this can be done in wartime, Mr. Chairman, I ask why a similar quasi-judicial tribunal cannot be set up in peacetime, when the jobs and reputations of Canadians are secretively filched from them by the present procedures we adopt.

There are other reservations in our minds as to the announcement which has been made. For example, we are concerned whether the protection is extensive enough. Most members of this house are familiar with the large number of cases of refusal of citizenship, of refusal to allow otherwise qualified persons into the country, relatives of people who are here now; and the very same secretive type of proceedings are adopted whereby they are denied any knowledge of the nature of the case made against them.

As I read this statement it applies to government agencies, but this problem extends far beyond that. These procedures apparently do not apply to the services at all; yet the most notorious case in this field which has been brought to the attention of this parliament was the case of a man discharged from the navy. There are also other bodies and corporations working on security matters who are also given information, and people discharged in such cases lose their jobs and their reputations, and their future is endangered in precisely the same manner as those who are actually discharged from the government service.

While we welcome this statement, we think there are many other questions which should be asked, and I will just mention a few of them. What about the training of the people who do this particularly delicate and difficult security task? I do not know what the training is, but from the results which occur I suggest it is not good enough. I have nothing against the Royal Canadian Mounted Police as a force. I echo, though not with the same eloquence, the tribute paid by the Leader of the Opposition to that force. But in this sensitive field of security I do not believe that the police, including the R.C.M.P., are trained in that delicate political judgment which is necessary to prevent them from making mistakes, and we only know a very small and

insignificant fraction of all the cases involved. We want to know on what sort of principles the security officers are to act.

I have read with great interest what the Prime Minister said about the fact that in certain cases relationship creates a security risk. Yet, Mr. Chairman, have the principles for applying this been worked out so that we do not get the situation as revealed by the Knott case and many other cases where a remote—indeed in that case a mistaken—relationship was used to debar a person from useful service? Every one of us in this house will probably know of someone who has an uncle or aunt who has attended a communist meeting or might be in the bad books of the R.C.M.P. Are their nephews and nieces to be debarred from public service? It is true the procedure we have here will assist in enabling those cases to be scrutinized, and as I have said I welcome what has been done. But I say to the Prime Minister and the Minister of Justice that although this is a step forward, I think they would do better to avail themselves of tried judicial independent proceedings to solve their problems, as was done by their predecessors in wartime in the last great war.

I am not happy about this tribunal of internal civil servants, no matter how much we may happen to respect them. I give warning to the government that there are many other matters dealing with this field which require to be carefully investigated, and we feel it is our duty as an opposition to bring these cases forward and keep up a continuing vigilance. We are not going to be fobbed off by a tribunal, no matter how much we welcome this as a recognition of the problem. We are going to continue to urge that these matters be scrutinized in parliament and that independent procedures be preferred.

I have a number of observations I wish to make about the estimates generally, Mr. Chairman, but I take it at this stage it would be appropriate to deal only with the matters announced by the Prime Minister and the Minister of Justice.

Mr. Knowles: No, go ahead.

Mr. Brewin: I am encouraged by some of my colleagues in my immediate neighbourhood to deal with other matters affecting the Department of Justice as well. I know that one point I have to make the minister will agree with, if he agrees with nothing else, and that is the Department of Justice over which he presides is a key department, and at the present stage of the Canadian history the leadership of the minister and his department is urgently needed. I hope the minister will demonstrate I am wrong when I say it does not seem to me that he and his department have shown the type of leadership required to do the important task committed to them.

I do not propose to discuss at length the skyrocketing price of sugar. I am aware that the small staff of the combines investigation branch does the best it can. I am also aware, as the minister indicated, that there are constitutional difficulties about controlling the price of commodities. But I must say that the impression given by the minister in answering questions on this subject seems to me to indicate the futility of the present machinery and the lack of decisive will to tackle profiteering in essential commodities.

We live in an age when the ramifications of government are many and growing. The struggle between liberty and authority which characterizes all human societies is unending and is particularly acute at the present time. In this battle, the grievances of citizens who find themselves badly treated by those in authority require, if they are to be remedied, new institutional methods as well as unceasing vigilance on the part of the Department of Justice. We have heard today about one field of these interests but there are many others which are important. One of the pieces of machinery which is being suggested from every side of this house is the creation of a parliamentary commissioner or ombudsman. This proposal has been before the house for some time. Indeed, it is the subject of a resolution sponsored by the hon. member for Port Arthur. I do not propose to discuss this subject at length, but I say to the Minister of Justice that such a commissioner has proved his value overseas in countries where the system has been tried—in Sweden, and, more recently, in Denmark and in New Zealand. The existence of a great bureaucracy is not, in my opinion, a sinister thing. It is inevitable. Most of its purposes are beneficial. But people get hurt by the activities of government. When men of substance get hurt they do not have too much of a problem; they can hire expensive lawyers to defend their interests. But when men of lesser means get hurt by this infinity of regulations and procedures they often find themselves without any effective remedy. What I suggest is needed is an official of parliament who has full power to investigate, to secure the production of documents, to arrange a settlement of grievances where possible and to report to the house. On May 22, the Minister of Justice, in answer to a question of mine, expressed interest but disclaimed responsibility. I should have thought the Minister of Justice had a special responsibility to advise parliament of steps which could be taken to strengthen the civil rights of Canadians and not leave it to the

often futile procedure of private member's resolutions.

In my opinion there is a still more fundamental responsibility placed on the Minister of Justice, and that is to take the necessary action to protect human rights and freedom by bringing about the incorporation within the constitution of Canada of a bill of rights. This brings me to a question of the first importance facing Canada, a question whose solution demands the leadership of the Minister of Justice. Are we serious in saying, as we approach Canada's 100th birthday, that we intend to repatriate the Canadian constitution? Are we serious in saying we intend to take a new look at it and bring it up to date? Last Monday the minister is reported as having told the Liberal federation of Quebec—I am not certain that I have the name of the organization right—that it was necessary to re-think the whole form of confederation and adapt it to present conditions to ensure specific rights to Quebec and to French Canadians in general. I do not wish to underestimate the importance of giving clear and binding effect to the special rights of Quebec and of French Canada in confederation. But I say to the minister that in taking a new look at the constitution it is necessary for him to consider the rights of all Canadians. It is necessary to bring the new constitutional compact which I hope will be made in Canada and within this framework to recognize the basic rights and liberties of all Canadians so that they shall be immune from attack by provincial and municipal authorities as well as parliament and its agencies. We need a bill of rights composed not only of noble words but having the force of law, with teeth for its enforcement. We now have a declaratory bill of rights, a bill which has been cited over and over again in the courts with no effect. The former prime minister himself described this declaratory bill of rights as a first step. It is about time another step was taken.

What has been done about the re-thinking and adapting of our constitution? On June 19, as reported on page 1326 of *Hansard*, I asked a question about this subject. I asked what steps were being taken or contemplated with a view to having the constitution of Canada repatriated, or what consultations had been held for this purpose. The hon. member for Rosedale, answering in his capacity as parliamentary secretary, said: "None, by the present government." That was his answer. He said:

> No steps have yet been taken, and if and when it is decided to do so, the government will so indicate in due course.

The answer, in short, was a complete negative. Let me warn the minister that this re-thinking and adaptation of our constitution to the needs of the present day cannot be done by a few officials behind closed doors at a hastily summoned interprovincial conference. I have received a statement from Professor Ryan of the University of New Brunswick, president of the association of Canadian law teachers. I am not going to read that statement, though I should like to, but he urges the view of his association that the widest opportunity should be afforded for public representation and discussion before a formula for amendment is adopted by the conference which is proposed.

If the minister faces a much wider task than merely finding a formula for amendment; if, as he has indicated, what is involved is the re-thinking and adaptation of the whole form of confederation, these remarks apply even more clearly. I suggest there is no time to be lost in instituting the necessary process of public discussion and consideration which will involve not only government officials, but Canadians in every part of the country, members of opposition parties as well as of government parties, and people of all occupations.

I come, now, to another serious matter, which I have already discussed with the minister and which, in my view, gravely affects the administration of justice.

The high and unsullied reputation for integrity enjoyed by our judges is one of the foundations of our system of justice and, indeed, of any civilized system of justice. But now, in public statements in the press and in the legislature of Ontario, implications have been made affecting the integrity of a justice of the supreme court of Ontario.

It is necessary for me to go back in time to give the house the background of what I have to say. In 1958 an investigation was made into the manner in which northern Ontario natural gas issued stock at advantageous prices to public officials to promote its interest in Ontario. As the result of the investigation three ministers of the crown in Ontario resigned. At that time, Mr. MacDonald, a member of the legislature told the legislature in considerable detail that a block of 14,000 shares of stock had been issued to a company known as Continental Investments and used to secure approval by certain municipal officials in some northern Ontario town of the granting of franchises to northern Ontario natural gas.

This matter was inquired into by the Ontario securities commission and the then attorney general, Kelso Roberts, stated in the legislature that there had been no impropriety in relation to the issuing of the stock.

Last year, however, more information was discovered by the B.C. securities commission. Further investigation was made at Mr.

Roberts' request. In April of this year Mr. Roberts, the former attorney general, stated in the legislature that a politician in a municipality doing business with northern Ontario natural gas got the major part of the 14,000 shares at a nominal cost. Mr. MacDonald in answer to inquiry, named Mr. Justice Landreville as the official involved. Mr. Justice Landreville before his appointment as a supreme court justice in 1957, was the mayor of Sudbury. He was appointed shortly after the franchise was granted. The new report of the commission was made available to the present attorney general of Ontario, Mr. Cass and, presumably, to the government of the province in July. Mr. Cass caused proceedings to be instituted—

Mr. Chevrier: Mr. Chairman, I rise on a point of order. While it is true that the hon. member did give me some indication he was going to do exactly what he is doing now, I submit to you with deference, sir, that it cannot be done under the rules unless the hon. member is prepared to move for the impeachment of the judge he has in mind. I refer to citation 149 of Beauchesne, fourth edition, which reads as follows:

> Besides the prohibitions contained in standing order 35, it has been sanctioned by usage both in England and in Canada that a member, while speaking, must not:
>
> (j) cast reflections upon the conduct of judges of superior courts, unless such conduct is based upon a substantive motion.

Unless the hon. member is prepared to move a substantive motion I am afraid he is in contravention of this citation.

Mr. Brewin: Mr. Chairman, on the point of order, I want to make it clear, and it would have been made clear in a few sentences if I had been able to do so, that I am asking that this matter be investigated, not because I make any charge or accusation against the judge but because others have done so and I believe it to be in the interests of the administration of justice and in the interests of the judge concerned that this matter be cleared up. All I propose to ask is that the Minister of Justice do what I believe to be his duty in the circumstances, and that is to institute a full inquiry into this particular matter.

I am not making any accusations. As the matter will develop, it will be made perfectly clear that I believe the judge is entitled to every presumption of innocence. But I wish to point out that this matter has been raised and reported upon in publications, newspapers and national magazines and I say it is only fair to the justice involved and to the whole administration of justice that it be cleared up by the minister at the earliest opportunity.

[Mr. Brewin.]

I say that the citation from Beauchesne to which the Minister of Justice has referred does not deal with this particular matter. As I intended to say in a few minutes, I sincerely hope and believe that the judge will be able to clear up the imputations made against him, but I say that the minister responsible to the house for the administration of justice has a responsibility to inquire into this matter and that later, if anything is discovered that is derogatory of the judge at all, it will then be the minister's responsibility to make the necessary motion.

In case Your Honour should rule against me on this matter and abbreviate what I have to say to the house, I want to make it perfectly clear that I am only repeating accusations made in responsible publications and spread across the press of the country, and I am only doing so in order to urge the minister to give the judge, through a full and open public inquiry, the right to meet these innuendos and insinuations that have been made against him.

A further point has been called to my attention. I am not saying anything about the judge in his judicial capacity. The events in question took place some months before the appointment of the judge. What I am saying is that the statements made about him constitute a contempt of the administration of justice and that as Minister of Justice the minister has a responsibility to look into this matter. I am not accusing the judge of judicial misconduct. If by any chance the facts are as alleged and the minister finds that to be so on proper inquiry, the time to act will then come and the responsibility will be his.

But, Mr. Chairman, I am not making these accusations. I do not propose to make a substantive motion. This matter has had widespread publicity given to it already. I would have hesitated to mention it if I were the first to raise it, but in view of the publicity given to it I believe I am within the rules of the house in making the proposition to the minister that it is his duty as minister and in the interests of the judge himself to see that this matter is cleared up at the earliest possible opportunity.

Mr. Chevrier: Mr. Chairman, I would not ordinarily rise at this point because normally I believe it is the practice to allow other members to speak before the minister replies. But because of what the hon. member has said I feel it is my duty to rise now and bring to the attention of the house, not so much the fact that the hon. member has repeated accusations made elsewhere, but the fact that by doing so he has impugned the reputation of a judge of the supreme court of this province. While he may say he has made no personal attack on him, the very fact that he has

repeated these allegations is in my opinion tantamount to the same thing.

Mr. Douglas: Mr. Chairman—

Mr. Chevrier: I am not through. I have the floor.

Mr. Douglas: On a point of order, Mr. Chairman, I want to know how the minister got the floor. The hon. member for Greenwood had the floor. Is the minister speaking a second time on the point of order?

The Chairman: My understanding is that the minister raised a point of order and this is why I have allowed the minister to speak. He is not speaking a second time.

Mr. Douglas: He is certainly not discussing the point of order. He is now replying to the hon. member for Greenwood who had not finished his statement and I think the member should be allowed to finish his statement.

Mr. Chevrier: But the hon. member sat down and I rose after he sat down.

Mr. Douglas: No, he sat down because you interrupted him.

Mr. Chevrier: I did not interrupt him. The hon. member did not see what was happening. I saw the hon. member for Greenwood sit down.

Mr. Douglas: On a point of order; the hon. member for Greenwood sat down because he thought Your Honour was going to rule on the point of order.

The Chairman: Will the hon. member kindly resume his seat. My understanding of the matter, and it should not be too complicated, is that a point of order was raised and I understood that the hon. member for Greenwood was still speaking on the point of order. As far as the Chair is concerned, I was still looking up authorities and deliberating on the point of order. At this point the Minister of Justice stood and the hon. member for Greenwood sat, so I believe he yielded the floor on the point of order. If he did not, I suppose I should allow him to complete his point of order and then allow the Minister of Justice to speak on that point.

Mr. Brewin: I want to make it perfectly clear I am speaking only on the point of order. I think it would be advantageous for the house and advantageous for the individual concerned if I were permitted to complete my statement. I make it in all responsibility as a serious statement. In my submission I should be permitted to complete my statement and I respectfully submit it is not out or order. I am casting no aspersions. I do not fall within the citation which has been given and I hope that I will be permitted to proceed. I certainly have not concluded my remarks.

Mr. Chevrier: May I say that I rose on the point of order and cited Beauchesne as my ground for submitting that if the hon. member wanted to discuss the matter further he should move a substantive motion. This he said he was not prepared to do, and when I was interrupted by his leader I was going on to deal with the question of my responsibility. If the house and the hon. member do not want to hear me at this stage I am quite prepared to resume my seat, but I think the house should know, in answer to what the hon. member for Greenwood has said, whether or not there is under the circumstances a responsibility on the Minister of Justice in this case.

Mr. Douglas: No one denies that. The point I am making is that the hon. member for Greenwood had not had the opportunity to finish his statement. He sat down because he thought Your Honour wanted to rule on the point of order raised by the Minister of Justice. I assume that the reason you have not risen is that you do not agree there is a point of order and that the hon. member for Greenwood can be allowed to complete his statement, after which the minister can properly reply to him.

Mr. Pearson: Mr. Chairman, perhaps you are in a position to make your ruling on the point of order now.

The Chairman: I am sorry, I could not hear the Prime Minister.

Mr. Pearson: I asked whether you were in a position to give your ruling on the point of order now.

The Chairman: Yes, I am. Perhaps I could make a ruling now on the point of order which was raised a moment ago. The feeling of the Chair is that the position which the hon. member for Greenwood seeks to adopt is out of order on two counts. First, I should like to refer him to standing order 59(2) which reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under discussion.

My submission is that the administration of the courts is not a matter directly under the jurisdiction of the Department of Justice. On this count, I do not think the subject matter which is now being raised by the hon. member for Greenwood can be discussed.

Then, I should like to refer the hon. member to citation 149 (j) of Beauchesne's fourth edition, to which the Minister of Justice referred earlier. It reads in part:

> —a member, while speaking, must not:
> (j) cast reflections upon the conduct of judges of superior courts, unless such conduct is based upon a substantive motion;

I should like to refer also to citation 152 (4), which reads:

> All references to judges and courts of justice and to personages of high official station, of the nature of personal attack and censure, have always been considered unparliamentary—

Now, I understand that the line of argument taken by the hon. member for Greenwood is this: I am not, myself, saying these things, but I am repeating what other people have said. In my submission, this is an attempt by the hon. member to do indirectly what he cannot, under our rules, do directly. I submit, therefore, that he cannot continue along this line and that his remarks on this subject are out of order.

Mr. Douglas: Is it your ruling, Mr. Chairman, that the subject is closed and the hon. member for Greenwood cannot discuss the matter further and, consequently, the Minister of Justice cannot reply?

The Chairman: I cannot anticipate what the hon. member for Greenwood may wish to discuss from now on, but I am ruling that what has been said up until now has been out of order.

Mr. Brewin: It may be that on some other occasion, Mr. Chairman, I will have an opportunity, within your ruling, to complete the remarks I intended to make. I intended to point out that I was doing this so that a judge would be able to clear his reputation because, in my view, the administration of justice demands that something be done about this matter.

Mr. Fisher: Mr. Chairman, on the first point that you raised—

Mr. Chevrier: Order, the chairman has handed down a judgment.

Mr. Fisher: We have an opportunity to appeal it.

I should like a further elaboration of the first point you raised, Mr. Chairman, concerning the administration of justice not being the responsibility of the Minister of Justice. We passed a bill in this house raising the salaries of judges. I have a file of letters from judges on various matters, and I think many of us have been in communication with judges. We are quite aware of the fact it is the federal government that chooses judges, and pays them. The point I should like to make is, if this precedent is allowed to stand some remarks I intended to make about judges which had nothing to do with this judge, would be out of order. I do not know what the process is, but I would appeal to you, sir, to reconsider that part of your ruling.

Mr. Chevrier: May I—

[The Chairman.]

The Chairman: Perhaps I might say one word here. I should like to make my ruling as restricted as possible. I am not suggesting that no one can discuss anything relating in any way to judges. I feel that the ruling which has been made by the Chair at this point should be limited to the particular circumstances which were before the committee at that time.

Mr. Bell: I wonder if I might ask a question of the Prime Minister, without taking the place of the hon. member for Medicine Hat in the order of debate?

I just want to ask the Prime Minister, appreciating the seriousness of his statement as well as the drama that has been created around the corridors by members of the press, if he can give us his assurance that there has not been any recent episode or breach of security that brought about this statement?

Mr. Pearson: I can give that assurance without equivocation. We have been working on this revision of security procedure for some two or three months now, and as soon as the work was completed and the opportunity arose on these estimates, we brought it to the house. There is no particular circumstance which made that desirable at this particular time.

Mr. Olson: Mr. Chairman, I had intended to say quite a lot about the matter of the security and intelligence division of the Royal Canadian Mounted Police, and the method they have in determining who ultimately becomes a security risk. The statement which has been made by the Prime Minister tonight concerning the three steps he has suggested will be taken in the future, to some extent will answer the matters I was going to raise. I am not sure we can accept these provisions as the ultimate answer to the problem that we have in these security risks. I agree, too, that I do not believe it is possible at this stage to comment upon all the ramifications of these steps, or the success that they might be. For the present, Mr. Chairman, I am willing to give this a trial and see what happens.

I know that in my own constituency, and I am sure in the constituency of nearly every member in this house, there are Canadian citizens and other people who have been refused citizenship who honestly believe that wrong evidence has been presented to the Royal Canadian Mounted Police in classifying them as security risks. I hope these steps the Prime Minister has outlined will, in fact, provide an opportunity to these people to present their case to someone. Perhaps, as the Prime Minister has said, they could even be faced with some of the information that has condemned them.

I turn now to another extremely important matter that is facing Canada today. First, we can all agree that the first duty of the Minister of Justice is to enforce the law and protect the lives of our citizens and give them some measure of freedom from fear. I do not think anyone in this house would be in disagreement on that matter. As a matter of fact, earlier tonight the Prime Minister said we should not allow the undermining of our basic principles. He even said that citizens give the state the direction in enforcing and upholding law. I am not suggesting that these are direct quotations, but I think it is a paraphrasing of some of the things the Prime Minister said tonight. He was referring to things of a political or ideological nature which were unfriendly to Canada in which a person may have been involved.

However, I believe it is equally as bad, and it may even be worse, to allow any organization in Canada, be it a labour union or otherwise to rule by force or intimidation. To suggest, as the Prime Minister has said, that the citizens give the state directions in enforcing and upholding the law, to suggest that the citizens of Canada are prepared to tolerate the intimidation that has gone on in the seamen's union during these past four years, I think is absurd. These weaknesses of law enforcement are today putting Canada and democracy on severe trial to maintain the confidence of our citizens in the maintenance of law and order.

At the outset I want to say that this matter of enforcing the law is not confined to enforcing it on labour unions. Some of the things that have gone on and are documented in the Norris report are matters of encroachment on human rights and liberties. Citizens, whether they be members of a labour union or not, are entitled to protection under the law from such encroachment, and I might mention that this question of enforcement of the law with respect to labour unions is giving some labour unions and their members a black eye which they do not deserve.

There may be what Justice Norris has described as jurisdictional jealousies troubling the Minister of Justice in getting down to the question of enforcing the law. Mr. Justice Norris has this to say at page 312 of his report:

> Local police forces are not equipped to deal with mass action by irresponsible persons. All police forces, federal, provincial and municipal should extend their efforts to the utmost in co-operation with each other—avoiding jurisdictional jealousies—to the end that there shall be certainty in the enforcement of the law and that respect for the law will be maintained. It should not be difficult by co-operation between all police forces to reach a common understanding as to action in connection with labour disputes. It might be that police officers should have some special training on labour matters.

If the Minister of Justice has run into this problem, then I think it is his responsibility to look into the matter and come before parliament to introduce what might be called emergency legislation, giving him the power to deal with this mess. Most of us are agreed that it is this intimidation, particularly in the S.I.U., that allowed the situation to develop to the point it reached.

Even today the Minister of Justice suggested, with respect to some men who were beaten up on the train last Monday night, that one of the men involved refused to testify. We must ask ourselves why, and I am sure we are all agreed the reason is that he is scared. He has no confidence that the law will protect him and is afraid to testify, even though he had a severe beating.

Questions were asked repeatedly of the Minister of Justice, as far back as early July, about what he was going to do concerning Justice Norris' recommendations on prosecutions. They are to be found at pages 2234, 2302 and 2303 of *Hansard*. I shall not enumerate all the pages, but on almost every occasion the minister replied that the matter was under investigation and he could say no more at this time. I believe our common law states that if justice is to be done it demands justice without delay, and in this respect the previous ministers of justice are equally guilty, because many of these acts of violence took place when they were in office.

I hope that soon—indeed the day is long past—the minister will find some way to enforce the law and restore confidence in the people that the law will be maintained. If he cannot find anything in the present statutes to enable him to do this, then he should come before parliament and ask for additional power. The action taken respecting this whole mess for the last three or four months can be described as a despicable display of dereliction of duty.

The minister's first responsibility is to enforce the law, and I suggest he has not been doing it. He has not taken all the steps he could have to remove fear and intimidation from the men who have been involved in these things.

Schedule 31, which was published along with the Norris report, quotes 75 cases of what are called, "examples of intimidation and violence." To my knowledge there has not been a single conviction in any of them. For example you find—and I am not going to read this all into the record because hon. members have it in their possession—that on October 24, 1958, a man was beaten up and under the section headed, "Action taken if any," it states "no mention" of any action taken by the law enforcement officers.

On November 6, 1959, another man was beaten up and again under the section headed "Action taken if any" it says, "Wife called police. No mention of police action." Mr. Justice Norris has said that the evidence did not clearly indicate that the officers of the S.I.U. were responsible, but one thing the victims all had in common is that they were opposed to the S.I.U.

I appeal to the minister tonight to get on with the job of enforcing the law of the land so that our citizens can be freed from the kind of intimidation which has been so pronounced over the last months and years.

[*Translation*]

Mr. Gregoire: Mr. Chairman, the Prime Minister (Mr. Pearson) announced early this evening that there would now be a board of appeal for persons who have or may have access to secret documents to enable them to justify themselves, should circumstances require them to do so, and to allow the government to make sure that its employees, in departments where secret documents do exist, are reliable. In my opinion, the setting up of that board of appeal is a most commendable thing.

Be that as it may, I feel that, this evening, we have more important things to discuss concerning the estimates put forth by the Minister of Justice (Mr. Chevrier).

At noon, on the orders of the day, some questions were asked but, unfortunately, the few answers given were vague, even evasive. The matter is either being examined or else there is nothing to reply.

A while ago, the hon. member for Medicine Hat (Mr. Olson) spoke about seamen who were being threatened by some labour leaders.

It is now my turn and I would like to talk about a very serious problem, that of an international trust that managed to make the price of sugar rise even though there is no shortage—

Mr. Valade: Mr. Chairman, I rise on a point of order. I should not want to stop the hon. member for Lapointe (Mr. Gregoire) from making his remarks on the estimates of the Department of Justice but I feel that he should speak on the statement made by the Prime Minister.

The hon. member is dealing with item number one of the department's estimates, which is contrary to the rules since members of the official opposition have the privilege of being first to express their criticism. It is only out of courtesy that we did not interrupt the hon. member for Greenwood (Mr. Brewin) a few minutes ago.

Since members of the official opposition have precedence, I feel the hon. member for

[Mr. Olson.]

Lapointe should postpone until later on his remarks on the estimates of the Department of Justice.

The Chairman: I think that the hon. member for Lapointe may proceed with his remarks along those lines. Since we are considering the first item of the estimates of the justice department, he is entitled to keep on discussing the point he raised and which is actually related to the estimates of that department.

Mr. Valade: Mr. Chairman, I refer again to the point of order, because I understand that the hon. member for Bow River (Mr. Woolliams) had already intimated that he wanted to speak on the estimates of the Department of Justice. You reversed the order of priority earlier and by courtesy we did not object when the hon. member for Greenwood took the floor, but he was supposed to confine himself to the criticism of the estimates of the justice department, instead of commenting some other point or the statement of the Prime Minister and of his colleague, the Minister of Justice. We did not deem it necessary then to create a precedent to the effect that the official opposition should yield to another party of the opposition which has priority over the party represented by the hon. member for Lapointe. I therefore suggest that the member for Bow River be recognized.

The Chairman: I did not make any agreement with a party to the effect that the comments of each member would be strictly limited to the point raised by the Prime Minister. I therefore suggest, once again, that the hon. member for Lapointe is in order and he may go on.

Mr. Gregoire: Mr. Chairman, I was talking about a problem which has again been raised lately, that is, the increase in the price of sugar.

Obviously, one may ask what this has to do with the estimates of the Department of Justice. However, I believe that it can easily be related to the problem in question because, in my opinion, the whole matter of the increase in the price of sugar rests on the fact that the Department of Justice tolerates at this moment a combine of a number of companies which fix the prices in spite of normal trade practices.

There lies on the part of certain concerns an infringement due to the fact that there is no competition, as it were, in the sugar trade, and that Canada, like many other countries in the world, when it comes to certain commodities, sticks to regular suppliers and remains a faithful member of the London Sugar Exchange without even calling for tenders on the world markets.

There are in the world various places for the marketing of sugar. But Canada is caught in the toils of the sugar trust which is connected with the London exchange.

Mr. Chairman, there is in those continuous increases a case which really goes against Canadian anti-trust legislation. When it has been established that sugar is not scarce at the present time, it is realized that despite that fact some companies, by a common scheme, succeed in increasing the price of a certain product, like sugar, as in this case.

In the month of May, when such a thing happened, the Minister of Justice announced that he would investigate the problem. Immediately the companies, by common agreement, decreased the price of sugar.

The result of the investigation announced in May by the Minister of Justice was never made known to us. There was no announcement or press release, reporting that the Department of Justice, following its investigation, had discovered such or such a thing. The companies took advantage of the situation recently to increase once again the price of sugar, so that it reached an all-time record, the highest since 1943.

What is going on at the present time and why is the Minister of Justice tolerating so long that companies speculate that way, at the expense of the Canadian people and to the prejudice of Canadian trade?

I do not understand how the Department of Justice has put up for such a long time with the monopolizing of a group of companies who try to keep the prices at a high level at the expense of the Canadians, while there are federal acts to deal with such companies which, by means of a trust, thus manipulate prices.

I wonder why the Minister of Justice does not act more quickly in the case under consideration.

We hear about investigations, but those investigations have been going on for many months, in fact since May, and we have yet to hear some of the results. Are things dragging on or are the minister's hands tied in any way by the companies that impose their will on the government? That has happened before. Are we witnessing today the repetition of one of those acts? How is it that the minister does not proceed more expeditiously in his investigation? He does not give an answer to the house, he does not say what is going on while the sugar companies are playing their little game.

That is all the more serious because at the present time those sugar companies are practically all foreign companies that come here to exploit the Canadian people in that field.

In fact, Mr. Chairman, the Minister of Justice should investigate that matter or at least he should submit the report of his investigation as soon as possible and see to it that those problems be dealt with, to the benefit of the Canadian citizens.

I have now, Mr. Chairman, another matter that I should like to explain, for a few minutes, to the members of the house. I am referring to the parole board.

Several weeks if not several months ago, the Minister of Justice announced—in fact he promised that there would be an investigation in regard to the parole granted some individuals—incidentally, there have been two or three—who, on account of their behaviour, have proven that parole was not justified in their case.

In my riding, several families—and at least one officially—have been the victims of the parole system. The Minister of Justice certainly knows of whom I am speaking: it is the man Dionne, from Quebec. We have not yet seen the report on the inquiry the Minister of Justice was to make in this matter.

I now want to point out to the government another problem which, I think, is a most important matter at this time. It is the question of loans and interest rates.

The federal statutes contain no legislation to control loans and rates of interest. In our counties, we see a proliferation of finance companies or individuals who lend money at excessive interest rates, so that it could almost be called legalized theft.

I, myself, have found many cases where farmers in my county had been granted loans at rates of 40 and even 45 per cent. Lately, in Ontario, the provincial government appointed a committee to inquire on the activities of some finance companies. That inquiry has shown that some individuals or loan sharks were lending money at such abusive interest rates that it was nothing less than a theft.

At this time, there is no federal law in our statute books to control the interest rates charged by moneylenders.

Mr. Chairman, I humbly submit to this government that if there is a case of urgency, it is surely to provide some legislation in this field, in order to establish some rules regarding loans, whether they be mortgage loans, small loans by finance companies, or loans in excess of $1,500. That legislation would set down rather strict rules to put a stop to the unfair practices now going on in Canada in that field.

A while ago, I heard the hon. member for Greenwood deal with another problem, the revision of our constitution. The Minister of Justice announced last week end that a federal-provincial conference would be held

to re-examine the constitution in order to bring it up to date.

I do not want to spend too much time on that problem. Those who will have to deal with it will take it upon themselves to re-examine our constitution and look at it from every angle. However, I should like to remind the Minister of Justice that, before that federal-provincial conference for the revision of our constitution is organized, there must be at least some guiding principles to inspire Canada's new constitution.

I have been given the opportunity to realize that such an idea could be the main inspiration for a new constitution. I have been aware of that since I have become a member of this house, from the time I learned about several bills put forward to deal with various problems and since I have had the opportunity to talk with members from other provinces, from this other great nation which is part of our country.

I must agree that too many French Canadians are unfortunately not familiar with the workings of the English mind. In fact, that was somewhat my case before I came here. My opinion has changed on certain points since then. However, I have become more and more attracted by an idea which could truly become the fundamental principle of a new constitution, that is that, in the future, it will be useless to consider Canada as the federation of ten provinces.

When some piece of legislation is enacted in spite of the opposition of one province, then the latter must bear the consequences.

On the other hand, if a statute is favourable to one province only, then it is the nine other provinces which suffer from its adoption.

It is my feeling that in reviewing our constitution, we will have to take into account the two nations which live side by side in this vast country of ours which goes from the Atlantic to the Pacific.

Mr. Chairman, during a sitting of the miscellaneous bills committee, I got the confirmation of the allegations I am making now.

At the time, the committee was examining the bill to incorporate a national association of pharmacists. Under its new federal charter, the association would have acquired certain rights and privileges. Nine provinces were in favour of the bill to incorporate the association whose board of directors would issue licenses to qualified pharmacists. However, one province was against this legislation.

And then, if a province should decide to block passage of a bill that nine other provinces are requesting, these nine provinces will have to suffer the consequences, while if we lived in a confederation made up of two nations, enjoying more freedom, more rights and more privileges within the said confederation, we would not witness the clashes which are seen nowadays.

In fact, we see, for instance, that in the field of education, nine provinces welcome the centralizing of education services and that, maybe, with a view to set up better communications between them and—

The Chairman: Order. I regret to have to interrupt the hon. member, but I must say I find it quite difficult to see any relevancy between his remarks and the estimates now before the house.

Besides, I would draw the attention of the hon. member on the fact that paragraph 2 of standing order 59 reads as follows:

> Speeches in committee of the whole house must be strictly relevant to the item or clause under consideration.

Now, I do not think the hon. member's remarks and the arguments he is trying to bring forward have any relevancy to the estimates now before the committee.

Mr. Gregoire: Mr. Chairman, I was under the impression that when the first item of the estimates of the Department of Justice was called we were entitled to make our views known to the house at any time.

Moreover, as the task of preserving and rethinking the constitution, when this is required, comes under the jurisdiction of the justice department, I thought I was in order in dealing precisely with a subject which concerns particularly the Department of Justice: that is, the Canadian constitution.

However, if you are of the opinion that the ideas I submit are out of order, I shall abide by your decision.

The Chairman: I want in no way to limit the remarks of the hon. member, but I think very sincerely that the remarks he is presently making, and the arguments he has been offering to the committee in the last few minutes, do not relate closely enough or directly enough to the estimates.

Mr. Gregoire: Very well, Mr. Chairman, I shall try to find another appropriate moment to submit certain ideas concerning the revision or the rethinking of our constitution, as the Minister of Justice has expressed the wish, for some time. In fact, I want to congratulate him for his serious work in that field; that work was necessary and I am of the opinion that the revision should not be delayed too long.

Mr. Chairman, there is a last problem which I wish to raise in connection with the consideration of the estimates of the Department of Justice. It is that of bilingualism within the said department. We shall have an opportunity to ask questions on this sub-

ject, later on, for we think that bilingualism is a must in such an important department as that of justice, for if an individual has rights and privileges to claim, he must often claim them before the courts, and, then, if he wants adequate means to defend himself, he may resort to the services of bilingual civil servants of that department.

We also wish to make recommendations to the minister regarding civil servants, not only concerning quantity, but also with regard to quality. It would be advisable that senior posts be equally distributed between representatives of the two great races which make up Canada.

As for the purchasing division of that department, it should consider that there are French Canadian companies in addition to English Canadian companies and allow both to get their share of orders, in order to promote the economic development of both groups.

I know that the Minister of Justice has been the member for an Ontario riding which is so well represented by the present chairman of the committees of the whole (Mr. Lamoureux). I am also aware that he now represents a riding in the province of Quebec. This might have brought him in contact, better than any of us, with the two great nations in this country. In fact, I am of the opinion that he is in a better position than any other member—I have no ulterior motive in saying this—to understand the problems of the two great races, on account of his past experience. That is why we are going to be more demanding as far as he and his department are concerned. In so doing, the officials of the other departments will understand exactly what we mean by bilingualism —that it is not simply a matter of duties, but rather a way of thinking on the basis of the two great races which make up our country.

[*Text*]

Mr. Woolliams: I think we were all interested to hear the Prime Minister outline new methods of preserving security in our country. I should like to congratulate him on setting these changes out so clearly. I was glad to hear that a board had been set up before which those concerned may be heard. I hope the suggestion made by the Leader of the Opposition that someone accustomed to sitting in a judicial capacity should be a member of such a board, because unless its members include some independent person I am sure those who come before the board will not feel that justice is being done. I trust that this recommendation made by the leader of my party will receive serious consideration.

I should like to join, also, with what my right hon. friend had to say with reference to the R.C.M.P. I have had a good deal of experience of the R.C.M.P. and I have expressed my views about this distinguished body on earlier occasions. I have always found that these men, when they administer the law, stay within the ethics which we expect of the R.C.M.P. in this country. They are respected not only in Canada, but by those who come from other lands to visit Canada, by those who know them almost as well as Canadians know them.

I was interested to hear the hon. member for Medicine Hat speak about the enforcement of law in this country. The administration of justice, after all, falls within the sphere of the Department of Justice. I had something to say about the administration of justice and the enforcement of the law this week when we debated an amendment to a supply motion. I think it might be well to read what the new prime minister of Great Britain had to say with reference to law enforcement as he sees it. This is what he had to say in one of his earliest addresses as prime minister:

> Some people are suspicious of law and order, as though the rule of law was a mere trick to freeze the status quo. It is quite the opposite. Its observance is the sine qua non of peaceful change. The rule of law is a lesson learned from centuries of human experience, from many mistakes and much suffering. It amounts simply to this: that only by submitting ourselves to obey the law can we reconcile conflicting ambitions and serve the interest of mankind as a whole. Without the rule of law we destroy one another.

I think an admission was made in this house that certain groups or associations of groups were breaking the law. I still think it is the duty of the government to enforce the law, especially when there is an admission that the law is being flouted each day. Now this situation has changed in a practical way. The men concerned have gone back to work on their ships. Possibly the practical benefits will be some compensation in a small degree for the law not having been enforced. I do not wish to say any more on this subject, but I do feel the government has been most remiss and irresponsible in failing to enforce the law as it applies in this case.

I wish to go on to deal with the penitentiaries system of this country. Some time ago it was planned that there should be built in the city of Drumheller a penitentiary, an institution for young offenders, which would cost approximately $4 million. There is a growing need for such an institution in this country. I should like to go into this subject in some detail. I have here an article entitled "Children To Penitentiary". The heading goes on: "We must overhaul our treatment of juvenile delinquents, says the man who heads our first coast-to-coast study of this pressing problem." This refers to a statement made by

the commissioner of penitentiaries A. J. MacLeod, who was a member of a commission which investigated conditions among young prisoners in penitentiaries in this country. I should like to congratulate Mr. MacLeod for bringing these matters to light and I hope we shall quickly get some real reforms in this field through the Minister of Justice. It is true that the hon. gentleman, like the former ministers of justice, Mr. Fulton and Mr. Fleming, inherited a great many of these problems. Changes are not made overnight. But it is only when we raise our voices in the House of Commons that these reforms come about. I think one of the most shocking things revealed by this investigation is that there are young children of 12 and 13 years of age in our penitentiaries serving terms alongside hardened criminals. I wish to read from the February 23 issue of *Weekend Magazine*. Remember it was the hon. Davie Fulton who set up this investigation so that the facts could be brought before the Canadian people. This is what the article says:

> It was difficult for me to find anything wrong with this cheery classroom in St. Vincent de Paul, near Montreal. It was brightly lit, well ventilated, had a good collection of books and educational aids for both public and high school courses and was presided over by a man anybody would have been proud to have had as a teacher.
>
> The only thing wrong was that the children in this classroom, some of them no more than 14, were penitentiary inmates.
>
> The federal training centre, an institution for offenders below the age of 25 which forms part of St. Vincent de Paul penitentiary, often gets 14 and 15 year olds as inmates.

Later, it is disclosed that children of the ages of 12 and 13 are serving terms of more than two years in the penitentiaries of this country. One of these children was so small in physical size that he was able to squeeze through the bars, the article says. It seems to me it is a disgrace in a country such as ours that we should have a situation of this kind in our penitentiaries. The article goes on to say:

> Most have been convicted of theft, breaking and entering and automobile stealing. All have been sentenced to two years or more.
>
> You see children in prison uniforms carrying history and geography books and arithmetic tables and you know they may be finishing their homework in their cells.
>
> Not so long ago, a 12 year old boy found himself in St. Vincent's federal training centre.
>
> And everybody in the prison for women in Kingston remembers the tiny 14 year old girl who went behind the walls to serve a two year term—for stealing a bicycle.
>
> In Dorchester penitentiary in New Brunswick one of the boys was so small guards were afraid he might squeeze out between the bars.

If John Howard were to investigate some of the penitentiaries of this country he would be more shocked by the conditions there than by those he found in Britain during his time. I may say I am happy to see the hon. member for Vancouver East in his place. He is one of the persons in this house who has pressed for prison and penitentiary reform over the years. He was doing so long before I came to this house. I am sure that some of that pressure rubbed off on Davie Fulton, the former minister of justice, as a result of which certain reforms and investigations took place. The article from which I have been reading goes on to say:

> We are putting more children in penitentiary today than we were 10 years ago. Last year, we put away almost three times as many as we did in 1952.

This is a statement which was made by the commissioner of penitentiaries. This is not something we did 50 years ago; it is something we are doing today. Many people may ask: how did it come about? Well, under our criminal code children over the age of seven can be confined in penal institutions. That is shocking. The Minister of Justice should take a look at that, and there should be an amendment made immediately. Any child of the tender age of 7 to 12 years surely should not be confined in a penitentiary with hardened criminals. I could name one or two that are now released but I will not do so. It was alarm over figures like these showing a general penitentiary population increase that resulted in a five member justice department team going out across the country last year to examine the whole field of delinquency in Canada. The committee on juvenile delinquency was established by a former minister of justice, Davie Fulton, and made its report to former justice minister Donald Fleming.

I am quite sure the Minister of Justice has read the report. I hope he does something about it immediately. This is an urgent matter. It is something that should not be left for a year from now or two years from now. These children are still in the penitentiaries of this country. These children are like our own children, except that they ran afoul of the law, which could possibly happen to our own children. Because they ran afoul of the law and because the Criminal Code says that any child seven years of age or over may be placed in the penitentiary they have been coldbloodedly placed in the penitentiaries of this country with hardened inmates.

Imagine how you would feel, members of the House of Commons, if a son of yours eight or nine years old was in a penitentiary, if his only classroom was in a penitentiary, if the only place where he could study and do his homework if it is called homework in a penitentiary, was a cell.

The reason I am pressing this matter is twofold. We should do something for the youth of this country who have been categorized as juvenile delinquents. In the second place, the previous government promised to build a penitentiary at Drumheller worth approximately $4 million which was to be for young offenders. It was not to be the kind of institution surrounded by walls or fences but the kind that might rehabilitate some of these young boys and girls who have run afoul of the law. This is what the former government promised to do. There has been some suggestion that the previous government said it would not be built until 1964. I am not going to get into an argument with the Minister of Justice because I do not think I have ever had an argument with him and I do not think I can sell him on the idea of building a penitentiary in my riding.

It is quite clear to me that the penitentiary was to go ahead in 1963. There may have been some move made by the commissioner of penitentiaries to shelve the project for one year, but after I have set out additional facts with reference to these juveniles who are in our penitentiaries I should like to hear from the minister when the government intends to start the construction of this institution for young offenders, so they can be kept away from the kind of penitentiary described in the article that was written as a result of the findings of the commissioner of penitentiaries, A. J. MacLeod.

To come back to the point as to where it was to be built, may I say I am quite sure the Minister of Justice would respect the word of the former minister, Davie Fulton, in this regard. After this institution for young offenders had been announced there was a press report in July of 1962 in the Calgary *Herald* headed "Cutbacks Won't Hit Pen Work". It reads in part as follows:

Cutbacks in government spending announced last week will not affect the decision to proceed with the $4 million Drumheller penitentiary, the *Herald* learned today.

An Ottawa source close to justice minister Davie Fulton said the Drumheller penitentiary and other new institutions are "fairly urgent business" because of crowded conditions in other Canadian prisons.

I do not know whether it is a good or bad thing but I might say Alberta is the only province in Canada that has no penitentiary of any kind. All people sentenced in Alberta to penitentiary are taken to Prince Albert in Saskatchewan. Conditions there are such that that penitentiary is badly overcrowded. Just imagine the overcrowding of men in that penitentiary, and the sending there of offenders 12, 13, 14 or 15 years of age.

I say to the Minister of Justice that this is an urgent matter. It is true that the previous minister was a Conservative minister and that there was an austerity program for a period of time, but I say to the present minister that he must review the position and consider it again. I have some other facts to put on the record with reference to the children in our penitentiaries, but when he speaks I should like to hear from him when the government plans on going ahead with the institution for young offenders.

Let us look at some of the facts as far as juveniles are concerned in this country. Canada's total penitentiary population was about 4,700 in 1952. In 1962 the figure was 7,100. Statistics indicate a penitentiary growth of 5 per cent per year and at the present rate of growth the population in 10 years will be 12,000. The largest increase of all is in youngsters 16 years and under. There were only 32 such admissions in 1952, but by 1962 there had been a 300 per cent gain. In other words, there were 300 per cent more children in the penitentiaries in 1962 than there were in 1952. To quote the article:

"I'm in a rage when I see these kids," J. C. A. LaFerriere, director of inmate training for Canada, told me when I visited St. Vincent's federal training centre recently.

He goes on to point out what happens at night. This is something that should be placed on the record. It is not a case of handkerchiefs and tears. These are facts.

"They cry at night and it breaks my heart. They have no right to put children in penitentiaries."

That was the recommendation made by the commissioner to the former minister of justice. That government then went to the country and was defeated. You, sir, are now the Minister of Justice and I hope you will do something about this soon.

In 1959, the latest year for which these statistics are available, 11,686 youngsters between 7 and 15 were adjudged delinquent in Canada. Of these, 19 were 7 years old, 92 were 8 and 212 were 9.

Of that number 32, plus 300 per cent, were confined to penitentiaries serving terms of two years or more with hardened criminals. In dealing with the increase of 300 per cent I want to refer to one story. This is the story of a little fellow called Henri and I want to show hon. members what happened to him.

There are many sad stories about children in prison but the case of a 12 year old Chicoutimi, Que., boy who will be referred to as Henri has gone down in penitentiary history as a classic. Henri had all the cards stacked against him.

This is not unusual.

He was the product of a shiftless father and a prostitute mother, who had separated. In his short lifetime he had been in all sorts of trouble. He had been sentenced to reformatories and at one time had been committed to a mental hospital.

Anyone who has had any experience with reference to juveniles who have been placed

in custody and have come up on charges will appreciate that 60 per cent or 70 per cent of those children confined in penitentiary, and of the 11 thousand odd convicted of juvenile delinquency involving one crime or another, are the products of divided homes, so the fault is not theirs. The fault is ours in society and the fault is all the greater when we place them in institutions with hardened criminals.

The judge considered the matter for some time. The nature of the boy's previous offences indicated that he was in serious need of help. But there were no facilities for handling such a case. The judge finally sentenced Henri to two years in St. Vincent de Paul.

This was for striking a man whom he had found in a certain condition with his mother, as a result of which he was charged with assault. Let me tell you the story. He was so small and so young and he had no toys to play with. Even the guards in the penitentiary felt sorry for him and they took up a collection and bought him a bicycle so that he could ride around within the prison walls. This is Canada. This is the administration of justice in its practical sense which we are supposed to be proud of. The boy had one request to make. What was the request? One day he said to the guard, "Could I go outside these walls and play"? This boy, Henri, is 12 years of age. What was the answer? The rules do not permit criminals who are confined to the penitentiary to go outside the walls to play." This is our country.

I have raised this question before. I hope that tonight, now that I have raised it in the House of Commons, something will be done about it. I hope something will be done about it, not a week from now but tomorrow. Let us do something immediately about this. This could be your child, and these are Canadian children. The only thing they have done has been to run afoul of the law. Surely, what we should be doing today is putting these children in some kind of institution where they could be educated, where the proper environment would be provided. If they come from broken homes, surely they should be in institutions where they can be rehabilitated to enable them to take their places as men and women in society.

An hon. Member: It has been done.

Mr. Woolliams: It may have been done, but just look at the record. Would you say tonight there are no juveniles in the penitentiaries? If you or the Minister of Justice can say that tonight, I will be the most happy person and I will take my seat. You cannot say it. I am sorry about this interruption because this is a very serious matter which affects the youth of our country.

[Mr. Woolliams.]

I say to the minister, therefore, that there was a plan to build an institution for young offenders in Alberta. The land has been purchased and $100,000 has already been put into this project. The water has been put through to the site because of an agreement between the Department of Public Works and the city. Why does the government not proceed with this plan forthwith? If the government decides to stick by this decision to postpone the building of this institution until 1964, when will they start? How much will be built in 1964?

I want to deal with another matter, and that is the reason Drumheller was chosen as the site for this institution. Drumheller is one of the depressed areas of Canada. I am not talking about the farming area, but the mining area. Back in the fifties there were 20 mines operating. By 1962, there were six mines operating and today there are only two mines operating. In 1950, these mines employed 1,866 men. By 1963, only 183 men were employed. Now the Minister of Industry has removed Drumheller from the list of depressed areas. He said the statistics in the unemployment office revealed there were not too many unemployed. These men have been unemployed for a long time. They were unemployed in 1954, 1955, 1956 and 1957. They were unemployed when we were in office, but some of them went to Canmore, where they obtained employment in connection with the shipment of coal to Japan. They have been unemployed so long they have no unemployment insurance benefits left. They are not statistics in the unemployment insurance office. Therefore, when the minister removed Drumheller from the list of depressed areas, that was wrong.

They talk about rich Alberta, but there is no place in Canada where conditions are such as they are in East Coulee, Newcastle, Rosedale and those areas which were coal mining areas surrounding the city of Drumheller. Even the former minister of labour agreed with this statement. When the demand arose in Canada for an institution to rehabilitate the youth, Drumheller was chosen because it was a depressed area. In addition, the province of Alberta was the only province in Canada which had no such institution. I say that to shelve this project until 1964 is an injustice to the youth of this country whom I have described and who are in our penitentiaries. It is an injustice to the unemployed men in that area who were brought there during the last war. During the last war there was a demand for the soft coal in that area and the men were brought from various parts of Canada. When the war ended, the market for soft coal disappeared because of competition with petroleum and natural gas.

These men were left there and they are a monument to the previous Liberal government.

I say these men were brought there during the last war. At least, I was frank enough to admit that whatever steps the Conservative government took in this particular area, they were not of much help. However, at that time the area was declared a depressed area and received some benefits under that particular legislation. The fact is that it would take a large pool of labour to build a penitentiary of this nature. The unemployment insurance office in the district said that they had such a pool of labour because the unemployed coal miners had become skilled in other trades and could be used on this project. For these two reasons, I press the minister tonight to get this project started so that there will be some attempt at rehabilitation of these children who have been convicted and placed in the penitentiaries of this country. I want to repeat that if John Howard, the great prison reformer, were to see some of the conditions under which these children are living he would be shocked. If he would be shocked now, in the light of conditions in his day when he brought about reform, one can readily envisage the conditions.

We can sit here, like corporation lawyers, who never go down to the police court. If they ever went down there, as one did recently to bail out his son, they would find that these places are in need of reconditioning. They are a disgrace. I refer especially to the places where people are held while awaiting bail. People say, you have a bill of rights, but try to get a solicitor when you are in one of these places. If you get one, then try to get bail. It might be your daughter or your son or it might even be you. I say this is one of the most disgraceful things we have in Canada today. I trust that the Minister of Justice will make sure that something is really done in connection with the reforms to which I have referred.

Mr. Deachman: I enter this debate briefly this evening on the question of the recent changes in the price of sugar. This is a matter which has been mentioned in this house today, and recently by the hon. member for Lapointe. The intimations are that some kind of conspiracy exists in connection with the price of sugar, and that this is a question which should be brought before the Minister of Justice for reference to the restrictive trade practices commission. It is with this in mind that I should like to make a few remarks this evening.

Let us look first of all at raw sugar prices. By raw sugar prices I mean the prices which the manufacturer or refiner of sugar in Canada must pay in order to land sugar in Canada for refining purposes. Last year around this time the price was 6.5 cents per pound. The figures I shall give you are from the *Financial Post*, and the dates which I give you are the dates of the *Financial Post* on the day raw sugar prices are quoted. The price quotations for raw sugar per pound are, in the *Financial Post* of October 5, 1963, 8.2 cents; on October 12, it had moved up to 8.5 cents. On October 19, it had moved up to 9 cents, and in the current issue, October 26, raw sugar prices had moved up to 9.7 cents.

Now, what should cause the price of sugar to rise over a relatively short time at such a rapid rate?

Looking back over the course of the last couple of years we find that the world's production of cane sugar—and these are cane sugar prices I am dealing with—fell below world consumption by 3 million tons. This was the case in 1962-63, and also in 1961-62 production was slightly under consumption, so that for the past two years world inventories have been shrinking, and the cane sugar crop has not come up to world demand or world consumption. We may add to that the virtual removal of Cuba from the world trading market in sugar, as we know it.

Despite the shrinkage in production the sugar market responded early in the fall, as a result of optimistic predictions as to what the current sugar crop would be. On looking at the *Financial Post* of August 10, 1963, I see that in response to predictions that the crop would be fairly good the local refinery price, that is the finished sugar price in Canada, responded sensitively to this indication that prices would drop. I quote from that issue of the *Financial Post*:

> Refinery price early this week was $13.45 per 100 pound bag in the Toronto area. This works out to 67.25 cents per five pound bag (there is an additional delivery charge.) Refinery price in late May-63 was 91.75 cents per five pound bag. This price now is down by 27 per cent in a little over two months.

As quickly as price changes appeared in the raw sugar market the local refinery markets reacted sensitively, and one could not call this a conspiracy to rig the price.

Let me deal for a moment with the question of what makes up sugar prices in Canada. First of all the Canadian sugar price is affected by the sugar tariff. This is an old, unchanged tariff dating back for a considerable number of years. In connection with this tariff I would like to quote from the 1957 restrictive trade practices commission report on the sugar industry in Canada. This says that the commonwealth preference tariff is 28.7 cents per 100 pounds, so that to get the Canadian price of raw sugar you must take

the world price as it fluctuates on the raw sugar market and add the commonwealth preference tariff of 28.7 cents.

In addition to this you must add the proportion of commonwealth tariff averaged over the most favoured nation tariff appropriate to the commonwealth producer, and this amounts to about 85 cents, which must again be added to the raw sugar price per 100 pounds of raw sugar. Therefore the first element in fixing the price in Canada is the tariff upon sugar.

After the raw sugar has been landed, the price of refined sugar is affected by the following factors. First there is the raw sugar price related to the tariff as we have discussed it, and then the refining margin, which in this 1957 report at page 55 is quoted at $1.20 per 100 pounds, freight 80 cents, delivery $1.89, insurance .02 cent and other expenses totalling 20 cents.

Now let me deal with the question of inventory. Somebody mentioned in the house earlier this evening or this afternoon that inventories are excessively high and that sugar refiners in Canada are speculating in inventory and making enormous profits. I do not know what present sugar inventories in Canada are. Perhaps they are excessively high, but because raw sugar production in the world has been falling off, and was below the level of consumption in 1962-63 and 1961-62, one would not expect to find that inventories are excessively high. However, let us assume for argument's sake that they are; but inventories of sugar cannot be converted into dollars for speculative purposes until such time as the sugar is sold to the public.

How is sugar sold? Each one of us consumes approximately 96 pounds of sugar a year. This figure does not vary very much, so that in Canada we consume approximately one million tons of sugar a year. If we want to reduce that to a unit we can look at easily, it comes to 13.5 tons for the members of the House of Commons, which is quite a lot of sweetening to go into the people in this chamber—and one wonders whether it has always been effective. Therefore it is not likely that much speculation has taken place on inventories, because inventories are not converted into sugar and sold, except at a relatively even rate on a fixed annual basis of 96 pounds per person.

To sum up I want to say that while the sugar industry in Canada has tended to be monopolistic and is almost by way of a utility, because it must be made up of large concerns, it has been under constant investigation by the federal government to see that it does not fix the price and become burdensome upon the public. One government after another has had long experience in dealing with the sugar companies and, as a result of this, these companies have become relatively cautious about speculating in price and in rigging the price.

I conclude by saying that while there is reason to look very carefully at fluctuations in price of the kind that have taken place over the last few months, I submit that much of this is the result of world conditions, over which the Canadian industry has little control, and that that industry is not necessarily the culprit or the conspirator with regard to the present price.

Mr. Winch: Mr. Chairman, I was most pleased to hear the remarks of the hon. member for Bow River exposing one of the problems still outstanding our penitentiaries system. It is my intention to speak on some of the other problems and difficulties. In my estimation, sir, there are two important matters upon which I feel the Minister of Justice should make a detailed statement. First, he should give us an expose on his theories on penology and how and when he intends to put his theories into practice. Second, he should explain to this house his understanding and theories relating to the problem—and it is a serious problem—of narcotic addiction, and tell us how and when he intends to tackle this problem. Dealing with the penitentiaries system first, to the best of my understanding the purpose of our penitentiaries system is for the punishment of those who are anti-social and have broken the laws of this country; and second, to the best of our ability to rehabilitate them, so as to make them upon their release from the penitentiary useful and law abiding citizens.

If we deal with the second question first as being most important, which I think it is, surely it should be axiomatic that in order to rehabilitate a person into becoming a useful and socially conscious person you have to change his mental attitude. Surely changing a person's mental attitude and bringing about his rehabilitation depends to a great extent upon his environment. I say, sir, that to a considerable extent the environment in our penitentiaries is an absolute disgrace to a country which calls itself modern and civilized. I am not completely, or to any great extent, blaming our penitentiary officials for this situation. The greatest onus or responsibility rests upon governments, past and present, and to a great extent upon Liberals who have made up the governments of the past. Because let us not forget the Archambault report of 1938. Judge Archambault outlined in detail a most positive, disgusting, disgraceful situation in the penitentiaries system of Canada. He pointed this

out completely even back in 1938. He said there were 400 cells in the St. Vincent de Paul penitentiary that were unfit for human occupation—unfit in 1938; and today those self-same cells are occupied by prisoners.

I only wish more members of this House of Commons would visit the federal institutions and see the conditions for themselves. I do not think the members of this house need worry about getting into a penitentiary or getting out, because I have always found that if I got in in the morning I always got out in the afternoon or evening. So there is no danger there. But I am convinced that if the members of this house would do this—because this is part of our responsibility; we have a duty to deal with penitentiaries and penology—they would take immediate action to rectify the appalling conditions that were exposed by Judge Archambault in 1938. I say that not only to the male members of this house, but to the female members also. I wish the women members would visit the women's jail at Kingston. If they were to spend one day in that jail they would come back here and get action from the Minister of Justice to improve the conditions at that jail, or they would tear out what little hair he has left. The conditions at Kingston are appalling.

How are you going to rehabilitate these women when they have to live under such shocking conditions? This is an institution that was never meant to be an institution of this kind. It is absolutely outdated and obsolete. The laundry room is right next door to the boiler room, and the dozen girls who have to work in the laundry room do so in temperatures that reach 108 degrees. The steam pipe system in that institution is so terrible, so deplorable, that it is in a continuous sweat, and because of the continuous sweat the condensation of the steam is rusting the cells and everything in them.

They can paint the cells—as they do—in that institution and within a few weeks it is all stripped off; it sweats off. This is the type of institution in which these women are confined. You can go into the penitentiary at Kingson or St. Vincent de Paul and see these terrible conditions. I say that something is wrong with us if we do not do something about it. I do not believe we should mollycoddle these criminals; I do not believe we should pussyfoot with them. They are there because they have broken the law. They are there for punishment, yes. But they are there for rehabilitation also. We spend millions and millions of dollars on a so-called policy of trying to rehabilitate these people. How can we do it when they are confined in conditions such as these? In the St. Vincent de Paul penitentiary, for example, there are hundreds of cells in which there are no sanitary facilities; where there is a bucket alongside the so-called bed, into which you can respond to nature. And alongside the bucket is a little jar containing your drinking water. The sanitary bucket is cleaned out once a day, and many of these people are in the cells 24 hours a day. People talk about rehabilitation. We are pouring the taxpayers' money down the drain, and we are certainly not preparing these prisoners to lead useful lives.

During the last two years in particular we have had riots in our prisons. There have been riots in St. Vincent de Paul penitentiary which have cost the taxpayers over $2 million to repair the damage. Why? Because of conditions which no man could bear; because not only are there these conditions in the cells but there is also the question of food. Yes, the food is good. I do not think anybody confined in our penitentiaries today would complain about the quality, quantity or preparation of the food. But these men have to go and pick up their food, and the distance is so great from the place where they collect their food to their cells that by the time they get back to their cells the food is cold. Therefore for three meals a day you are eating a cold-plate, and food which is supposed to be eaten hot, but which is eaten cold, does not taste very good.

Adding all these things together, no wonder we have had riots and the complaints. Then when they do riot—and nobody can commend them for rioting—they are put into segregation cells. I am not talking from hearsay; a number of us spent a day there. What did we find? We found men who are ringleaders, who are dangerous, who are mentally unstable, emotionally upset, easily aroused, incarcerated in these cells week after week after week after week. They were never let out of the cell for even a half hour of recreation. Why? Because there was not a gate unlocked leading to the recreation section. The contractor had not done his work properly and the Department of Public Works had not seen that something was done about it. I know they were asked to do something time after time. Yet men of this type, who become easily aroused, are confined in these cells week after week and their mental condition is worsened to the state where they are incited to riot. These situations cannot be allowed.

Hon. members have all read in the newspapers about the cockroaches, the vermin, the rats that infest our penitentiaries. The warden at St. Vincent de Paul employs a man who does nothing else all day and every day but go around with exterminating material trying to kill this vermin. If you had 100 men going out every day you would never get rid of them, because as fast as

you killed them they would come up the sewers and drains and start all over again.

In addition, when are we going to get away from solitary confinement? If any hon. member does not understand solitary he should visit a penitentiary and ask the warden to lock him in a small cell without a watch. Then when he thinks five minutes is up, let him kick the cell door open and he will find that he has been there most likely for a minute and a quarter or a minute and a half. I was asked to try that and I did. I asked others to do it and they did. When I felt five minutes was up in actual fact it was only a minute and a quarter. Men are put in solitary on occasion for days and days with no human contact, nothing but the bare walls. We have to do something about this. I am pleading that we do something about it, and the responsibility for any delay rests in the hands of the government.

I know for a fact that A. J. MacLeod, the commissioner of penitentiaries, has for a considerable time had a development plan for penitentiary construction consisting of maximum security, medium security and minimum security prisons. Up to a few weeks ago you could go down to the offices of the commissioner of penitentiaries and in the lobby you would see a model prison, comprising the workshops and accommodation, of modern construction and architecture, so well thought out that looking ahead to the time when we have partially resolved our criminal problem and the numbers in institutions diminish it can be reconverted quite easily to other uses, such as a hospital for the aged or other purposes. But those plans which are now on the drafting board have to be put into operation. If my memory is correct the thinking and planning of the commissioner of penitentiaries extends over a period of seven years, with a completion date in 1970. I say that, although I appreciate his thinking, 1970 is too late.

We have to do away now with the present type of maximum security prison and build a new type. We have to speed up the building of minimum and maximum security prisons, and we must insist that this be done. The longer we delay, the more will building costs go up; second, it will cost more in human lives because we will not be able to rehabilitate the hundreds and thousands over this seven year period in these institutions under existing conditions in the maximum security prisons we have today. I speak particularly of maximum security prisons because I think an excellent job has been done in minimum and medium security institutions I have seen of recent construction which are minimum and medium security prisons. But if we allow the present conditions of occupation to continue, then we will again waste millions of dollars of taxpayers' money, not only because we cannot rehabilitate these people but because we are inviting more and more riots and destruction. So from whatever angle the problem is examined, there surely can no longer be any pussyfooting, and if we do not do anything more this year we must start removing the conditions of which Judge Archambault complained in 1938.

That is all I have to say, Mr. Chairman, on the penitentiaries problem because I want to say a few words about another serious problem, that of narcotics in Canada. I hope the minister will give us a somewhat detailed exposition of his approach in handling this matter. Personally I feel from years of studying the matter that we are not tackling it in the right way. We still seem to have the opinion that narcotics addicts should be treated as criminals when every authority, or practically every authority, in the world says that they should be treated as sick people. I was most interested to read the other day a report of the New York academy of medicine's subcommittee on drug addiction, which among other things said this:

> There should be a change in attitude toward the addict. He is a sick person, not a criminal. That he may commit criminal acts to maintain his drug supply is recognized; but it is unjust to consider him criminal simply because he uses narcotic drugs.

The academy believes that the most effective way to eliminate drug addiction is to take the profit out of the illicit drug traffic and proposed a national network of federally-controlled dispensary clinics at which addicts could receive low cost drugs. In the same study which was later carried on by the United States medical association's council on mental health, an examination was made of various systems in the world, particularly in the United Kingdom. While they have a cautious view of the system used in the United Kingdom, they found that it was of such importance that they felt they should quote one of the regulations, and I should just like to put it on the record:

> It has been demonstrated that the patient, while capable of leading a relatively useful and normal life when a certain minimum dose is regularly administered, becomes incapable of this when the drug is entirely discontinued.

I completely agree with that view, Mr. Chairman, but I am afraid that there has not been the approach by governments in the past, or the Department of Justice, to lead to the necessary educational program to bring to public understanding the meaning of this disease of narcotic addiction. I know from experiences I have had that some people who were narcotics addicts were so badly addicted that in order to feed their need they were in and out of

penitentiaries year after year for crimes of breaking and entering to get the money required to buy heroin. I know where these individuals were able to get a doctor to give them treatment, but they could not be cured and were given a minimal dose. The doctor saw to it that they were able to get that minimal dose and they are getting it today; and after seven years in one case and nine years in another those two individuals have never again broken the law but are useful members of society.

This experiment has been proven time after time in the United Kingdom and other countries, and I ask why we give no thought to that. I admit I am disturbed by our present policies. We are now letting or have let the contract for a $4 million structure a few miles outside of Vancouver in which we will institutionalize the drug addict as a criminal. In the light of experience accepted throughout the world, the experience of the New York academy of medicine and of the American medical association, it is not possible to cure these people by confining them under compulsion in the manner now proposed. It is necessary to change their mental attitude, and that cannot be done by collecting them from all over Canada and incarcerating them in one huge institution under the criminal law. There is one particular aspect of this treatment which concerns even those who are ready to approve what the government plans to do as being, at least, a first step. I am referring to arrangements for the after care of those we propose to rehabilitate. What is going to happen to these people once they are released? This is the danger point, the point at which there must be rehabilitation, the point at which employment must be found and when the individual must be re-integrated into society. Unless this work forms a major part of our narcotic addiction treatment policy we will be wasting money when we spend this $4 million or whatever it will cost to build this institution outside Vancouver.

There are different viewpoints, but I do not think we shall solve this narcotics problem until some system is arranged whereby the profit is taken out of the sale of illicit drugs. As long as there is the possibility of a profit, somebody will try to make somebody else an addict. We know we have addicts who must obtain certain drugs until they can be cured. Why, in the name of heaven, do we not make arrangements whereby they can get them legally, without having to go into the illicit market where the profiteer gains his living? I think our laws should be particularly stringent as applied to any pedlar of narcotics who is not himself an addict. I think that such people should get life imprisonment because of what they are doing. This problem will always be with us until we bring in policies establishing dispensaries, so that those who need these drugs are not forced to go into the illicit market.

I am seriously concerned about these matters and I sincerely hope the Minister of Justice will do us the courtesy to make a statement on the situation, possibly when we get into the estimates in more detail. I have had the privilege of seeing and discussing the plans and programs of the commissioner of penitentiaries, and I sincerely hope the minister will be able to put the hooks on the Minister of Finance so that funds will be available with which to proceed in a civilized manner, so as to make Canadian penology the most admired in the world.

Mr. Baldwin: I had intended to make reference to a number of unrelated subjects which come under this item, but having in mind the lateness of the hour I shall restrict my remarks to a brief comment on the statements made by the Prime Minister and the Minister of Justice tonight.

I am happy to say that these statements indicate that the government recognizes there is a problem. That is the first requirement, the first step toward a solution. But in my opinion, recognition of the problem has not been followed by an adequate solution. I should like to refer briefly to what the Minister of Justice has said. He said: "As the Prime Minister has stated, the purpose of our security program is preventive, not punitive". If that statement is intended to relate to the criminal law, it has never been my understanding that the criminal law was punitive. It, too, is intended to be preventive. Our system of criminal law administration is by no means perfect. All such systems are imperfect. But I would say this—that in our experience we have reached a greater measure of perfection than any other system. This is because our trials take place in open court. There is a confrontation of accused and witnesses. Here, in these circumstances, with a judge sitting high on a dais, dressed in sombre robes, in the presence of friends, and witnesses subject to cross-examination by learned counsel, we come close to purifying the stream of justice. I recognize, of course, that in cases such as those the minister has in mind we cannot reach this measure of perfection but, I suggest, we could go a lot further than the government has seen fit to go today without imperilling our security.

I have two suggestions to make, and I will put them briefly before the committee. Is it not possible that a digest of the statement made in respect of each employee whose position is imperilled could be given to him, not in such a way as to permit him to identify

the person providing the statement against him but at least so as to permit him to know in what respect he is charged, in order that he might have an opportunity to meet those statements. Second, having in mind the degree of unanimity necessary to protect the people who are making the statements, surely these witnesses could be subjected to at least some measure of scrutiny or cross-examination either by this tribunal or by an agent of the tribunal. This would not go as far as I would like to go, but if they were adopted we might come a little closer to providing a more equitable system.

May I call it 10.30?

Item stands.

Progress reported.

BUSINESS OF THE HOUSE

Mr. Churchill: I should like to ask the acting leader of the house if he can tell us whether the business for Monday and Tuesday remains as a supply motion.

Mr. MacNaught: On Monday the Minister of Finance will move to go into supply. I regret I cannot give any further details of the legislative program for the balance of the week. I understand that talks are going on between the representatives of the various parties and that early in the week a statement will be made concerning the program for the rest of the week.

It being twenty eight minutes before eleven o'clock the house adjourned, without question put.

END OF VOLUME IV